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NEWS SUMMARY

GENERAL

Nuclear missile in silo blast

A fuel explosion in a nuclear missile silo in Arkansas yesterday injured 22 U.S. Air Force workers and forced the evacuation of 1,000 people within a four-mile radius.

The Pentagon denied that an atomic blast could have been triggered but said the explosion could have caused contamination in a limited area.

It came about after a technician dropped a 3lb wrench on to a Titan II missile, puncturing its fuel tank. Toxic vapour leaked and a fire was later noticed by the missile crew.

Pole resigns

Polish Politburo member Mieczyslaw Grudzien resigned as the strike by transport workers in Katowice, southern Poland, where he was party leader, spread throughout Silesia. He was a supporter of former national Party leader Edward Gierek.

Cordial summit

Prime Minister Margaret Thatcher said the atmosphere at her summit meeting with French President Giscard d'Estaing was "wonderful." EEC problems were not discussed. Back Page

Iranian attack

Iran-Iraq border fighting continued with Iranian planes attacking Iraqi positions in the south-east. One Iraqi soldier died in artillery fire. Page 2

Block vote 'wrong'

Former Labour MP Shirley Williams protested at the use of union block votes at party conferences, and proposed ballots of union members on major issues. Page 3

Evren offered job

Turkey's senior generals have urged General Kenan Evren, the chief of staff who seized power last week, to become the country's Prime Minister, officials said. Page 2

Shooting fine

A white South African railway clerk who shot a black commuter for refusing to speak Afrikaans was convicted of attempted murder and fined R500 (£333).

Kim 'interference'

Confirming the death sentence on dissident Kim Dae-Jung, South Korean authorities said international protests bordered on interference in the country's affairs.

Chunnel warning

The proposed Channel Tunnel would be a disaster for the North of England and benefit only the South-East, the Campaign for the North lobby group said.

Money box

A postbox phantom in Malmö, Sweden, again left money in a public letterbox. This year SwKr 27,500 (£2,760) has been found, and SwKr 3,000 has appeared in unmarked parcels at Post Offices.

Briefly . . .

Sunderland man was "satisfactory" after a 14-hour operation to sew back his severed right arm.

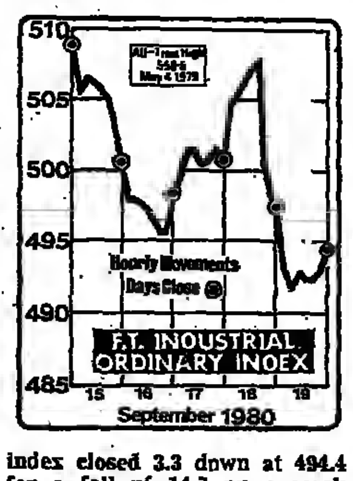
Pulitzer Prize-winning author Katherine Anne Porter died at 90.

Police sought a woman who left her newborn baby under bushes in East London.

BUSINESS

Equities 3.3 off; Gold up $6

● EQUITIES continued to reflect the impact of deepening recession. The FT 30-share



index closed 3.3 down at 494.4 for a fall of 14.5 on a week dominated by GKN's poor results. Page 24

● GILTS followed equities down on news of U.S. prime increases. The Government Securities index shed 0.40 to 70.79. Page 24

● STERLING was unchanged on balance, its trade-weighted index remaining at 75.6. It rose just five points to $2.3855. DOLLAR was slightly firmer at DM 1.7960 (DM 1.7915), though its trade-weighted index fell to 83.5 (83.6). Page 23

● GOLD closed at $677.5 in London, a rise of $6. Page 23

● WALL STREET was up 8.54 to 965.02 near the close. Page 20

● CITIBANK, Manufacturers' Hanover Trust and Chemical Bank, three of the biggest U.S. banks, raised their prime rate from 12.25 per cent to 12.5 per cent. Back Page

● HIGHER IMF contribution for the U.S. has been approved by the House of Representatives, which signalled its disapproval of possible Palestine Liberation Organisation membership of the fund. Back Page

● BANK OF ITALY announced a balance of payments deficit of L273bn (£135m) last month.

● JAPAN'S balance of payments surplus widened in August to $880m from $322m in July. Page 2

● U.S. has complained to France about the $300m contract French companies have won with the USSR for steel-making equipment. Back Page

● BP CHEMICALS announced a 13.5 per cent price rise for styrene monomer to about $830 (£348) a tonne. Page 3

● WILLIAM DENBY and Sons' 220 wool textile mill workers voted overwhelmingly to take a 10 per cent wage cut to save their jobs.

● LAFARGUE, the French cement group, is to make a major diversification into the biochemical industry by taking control of the Belgian Coppee concern. Page 21

● JAPAN AIRLINES is to adopt a programme to cut operating losses due to steeply rising fuel costs following a Y20bn (£39m) loss for the year to end March. Page 21

● EUROPEAN FERRIES has conditionally agreed to pay £23½m for a 92.5 stake in Singer and Friedlander, one of the smaller City accepting houses. Back Page

COMPANIES

● LAPORTE Industries (Holdings), chemical manufacturer, reported first-half pre-tax profits down from £8.52m to £5.46m. Page 18; Lex, Back Page

● MOLINS, precision engineering group, reported first-half pre-tax profits down from £5.3m to £4.7m. Page 18

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES		
Clarke Nicholls	133	+ 6
Esperanza	130	+ 6
Nichols (Vimto)	295	+ 23
RTD	18	+ 4
ORE	125	+ 11
Premier Cons.	90	+ 6
Assam Frontier Tea	235	+ 12
Cons. Gold Fields	625	+ 17
ERGO	591	+ 30
Rustenburg Plat.	348	+ 12
Western Deep	£30½	+ 2⅛
Western Holdings	£43⅞	+ 2½
Whim Creek	105	+ 7
FALLS		
Treas. 12¾pc '95	£100¼	− ½
Adwest	172	− 6
Armstrong Equip.	40	− 4
Assed. Engineering	53	− 6
Aurora	48	− 6
Bell (A.)	186	− 6
Bowthorpe	165	− 6
Cadbury Schweppes	72	− 3
Cornell Dresses	58	− 5
Eagle Star	262	− 8
European Ferries	169	− 10½
Fisons	212	− 8
GKN	191	− 7
Hawker Siddeley	228	− 6
ICL	176	− 11
Land Securities	386	− 5
Laporte	97	− 8
Lucas Inds.	194	− 7
Magnet Southerns	163	− 7
Montfort	62	− 3
Norton Wright	72	− 6
Racal Electronics	321	− 11
Renold	75	− 6
Smiths Inds.	253	− 7
Vickers	125	− 6
Willis Faber	260	− 9
Aran Energy	315	− 55

New EEC loan plan to offset balance of payment problems

BY JONATHAN CARR IN BONN

THE ESTABLISHMENT of a new European Community loan facility to help member states in balance of payments difficulties is expected to be discussed at a meeting of EEC finance ministers this weekend.

The nine ministers are meeting informally at Muellerthal, Luxembourg, today and tomorrow primarily to prepare the ground for the annual meeting of the International Monetary Fund at the end of the month.

At a time when almost all EEC members are facing balance of payments difficulties, firm progress has been made in the last few months towards establishing a new European loan scheme. It is possible that part of the scheme's lending might go to non-member states—but this is not likely to be the primary aim.

An important function of the scheme would be to borrow from oil-rich countries. The money would then be lent to countries with balance of payments deficits.

It is hoped that the EEC's monetary committee will be able to agree an outline of the plan by the end of next month.

Bonn officials emphasise that the facility is not intended to replace the IMF's own lending efforts nor the medium-term credit facilities which form part of the European Monetary System (EMS).

It would be similar to an EEC scheme proposed in 1975 under which the Community planned to borrow funds from the oil producers and on-lend to Italy and Ireland. In the event, a total of $1.3bn was raised for those two countries by the EEC—but principally from the Eurobond market, not OPEC.

The Finance Ministers discussed the plan in broad outline at another informal meeting—at Taormina in Sicily—during the spring. At that stage there appeared to be two main options.

One was to try to give the EEC a significant role in borrowing from Organisation of Petroleum Exporting Countries and re-lending to non-oil producing developing countries. This idea was supported by Italy and France in particular, but there were fears in some other member states that the plan was over-ambitious and might cut across the recycling exports of the IMF.

The other option was to borrow from OPEC primarily to help EEC members. According to Bonn officials, this is the one which now seems to have majority support.

At the IMF meeting starting September 30 the broad issue will be the extent to which the IMF can broaden its role to help recycle the surplus funds of the oil producing countries—likely to total about $120bn this year alone.

Over the next few months the IMF will commit the remaining part of the $10bn so-called Witteveen facility raised to help countries with oil-induced deficits. This raises the question of what new borrowing action may have to be undertaken.

CBI seeks rate rise ban on penalised councils

BY ROBIN PAULEY

THE GOVERNMENT should prohibit councils from imposing rate increases to recoup the grant lost in the measures against local authority expenditure levels, the Confederation of British Industry said yesterday.

But a number of councils on the blacklist of 14 which face special financial penalties said they would be forced to raise a supplementary rate this year or impose a very large increase next year.

Others, including Islington, Newcastle and Sheffield, want to see Mr. Michael Heseltine, the Environment Secretary, and have their cases reviewed. Many on the list say they cannot or will not cut services any further.

A rate rise is the only option although some have sizeable reserves, particularly Islington, which levied more rates per head (£20) than any other authority in England. Islington faces a penalty of £2.42m.

While councils reacted furiously to the indiscriminate nature of some of the measures announced by Mr. Michael Heseltine, the CBI was seeking an even tougher line.

"The Government has done what it can with the available powers. But they have not announced a ceiling for business rates; they have not announced limits on spending in specific services and they have not said councils must not get the lost money back in rate rises," said Mr. Michael Davis, chairman of the CBI local government finance and expenditure working party.

Mr. Heseltine has conceded that such moves would mean the end of local autonomy.

Mr. Heseltine announced that the Government is to withhold a total of £200m from all councils in England and Wales as an insurance against possible current account overspending in 1980-81. If the projected overspend (now put at 2.6 per cent) does not occur, the money will be returned.

In addition, 14 councils will lose a total of £18.42m in grant as a penalty for not making any attempt to cut their spending levels. The could be reprieved in November.

Mr. Davis said that business, commerce and industry was already under immense financial pressure at a time of great difficulty. Interest rates were high, which affected exchange rates, and business was difficult. Rates were a tax which did not vary according to the ability to pay. Non-domestic rates — £4.2bn in 1980-81 — were an increasingly difficult burden to bear.

"There is no doubt that rates are now a contributory factor to bankruptcies and redund-

Continued on Back Page

Carrington Viyella chief resigns

BY RAY MAUGHAN

MR. DERRICK HORNBY, chairman and chief executive of Carrington Viyella, has resigned, two months after taking over from Mr. Leonard Regan at the troubled textiles group.

Yesterday's announcement was accompanied by other moves giving ICI Carrington's major shareholder with a 49 per cent stake, a representative on the board in an executive capacity for the first time.

Like much of the UK textile industry, Carrington has suffered badly in the recession. One of Mr. Hornby's first tasks in his short spell as chairman was to announce a £5.4m loss for the six months to June 30, after tax and preference payments, and to withold the interim dividend. The group has been withdrawing from traditional upstream areas such as spinning and weaving and had been expected to embark on a major restructuring based on a management report by Boston Consulting Group.

Now Mr. William Fieldhouse, chairman of Letraset and a non-executive director of Carrington Viyella, has been elected chairman while the deputy chief executive, Mr. Ernest Cummins, becomes deputy chairman and group managing director.

Mr. Fieldhouse, who spends about "10 per cent of my time" at Carrington Viyella, proposes to double his involvement. His role until now has been to evaluate long-term planning.

From ICI, Mr. Robin Biggam, a deputy treasurer at the chemicals group, becomes financial director. Dr. Brian Smith, a non-executive director, had been ICI's only representative on the Carrington Viyella board.

The changes were announced "after detailed discussion and by mutual agreement." Mr. Fieldhouse said yesterday that the new appointments had been contemplated in the "last weeks." He declined to give any reason for Mr. Hornby's resignation. He said, however, that the sudden departure did not reflect any divergence of management objectives. Mr. Hornby has gone abroad for what Mr. Fieldhouse described as "a few days' rest."

Mr. Hornby, a director of Spillers before the bid from Dalgety, took the chair at Carrington eight months before his predecessor was due to retire. Mr. Regan was promoted president.

The latest moves increase ICI's influence on Carrington Viyella's defensive strategy. Mr. Biggam was selected, Mr. Fieldhouse said, for the "roundness of his contribution" as a fibres and U.S. industry specialist. He is to succeed Mr. John Wilson, who takes charge of the group's interests in Canada, Italy and South Africa.

The group still lacks a head for one of its three principal operating divisions, after departure of Mr. Bryan Lodder from household textiles, carpets and knitting interests last month.

Although ICI's presence will be felt that much more after this reshuffle and the splitting of the functions of chairman and chief executive, Mr. Fieldhouse said. Mr. Biggam was merely on secondment from the chemicals group, even if for an "indefinite period." Mr. Lodder's replacement in the key carpets and household furnishings division, he said, would not come from ICI.

He said the financial strains on Carrington Viyella's balance-sheet—debt is thought to represent more than 60 per cent of shareholders' funds—did not mean that ICI was considering any form of support or an increase in its equity stake.

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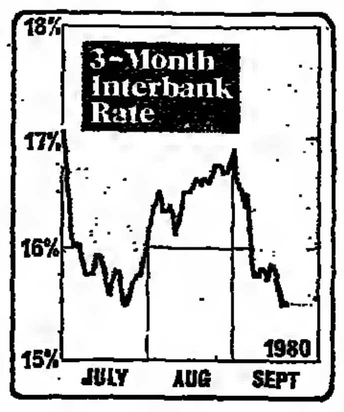

Hope for interest rates cut fades

BY PETER RIDDELL

THE BANK of England yesterday moved to dampen hopes about a large early cut in interest rates. This followed a further sharp fall in the average discount rate at yesterday's Treasury Bill tender.

The discount rate—indicating the level of interest payments on three-month Treasury Bills issued by the Government—dropped by 0.27 points to 14.13 per cent, compared with just over 14.9 per cent at the beginning of the month. Yesterday's average rate would have been consistent with a Minimum Lending Rate (MLR) of 14¾ per cent, against the present 16 per cent, under the old market-related formula, abandoned two years ago.

The Bank did not, however, lower the rates at which it is prepared to deal in Treasury Bills with the money markets.

No official comment was made. But the markets interpreted the move as a sign that the authorities consider the extent of the movement in the average rate as more than justified at present.

This move ties in with the generally cautious official line now being taken on MLR. There is both a hope and a belief in Whitehall that the trend of interest rates is downwards. But, after the recent sharp rise in the money supply, there is an official preference to wait at least until the September figures are available early next month before considering any change.

Officials want to see a clearer picture of what is happening to the underlying demand for

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£ in New York

—	Sept. 18	previous
Spot	$2.3825-3835	$2.3925-3935
1 month	0.96-0.91 dis	1.20-1.15 dis.
3 months	1.97-1.92 dis	2.04-1.99 dis.
12 months	2.90-2.80 dis	5.20-5.10 dis.

British Rail increasing fares by 19%

BY LYNTON McLAIN AND ANATOLE KALETSKY

BRITISH RAIL is to raise passenger fares by 19 per cent from November 30. But after intervention by the Government the increase on season tickets for commuters is to be 2 per cent less, at 17 per cent.

The rise is the second in just over 10 months and brings the total increase in fares since January 6 to 42.8 per cent.

The plans for higher fares were announced by British Rail yesterday, less than 24 hours after the Government gave in to demands from British Rail for a relaxation in its financial limits.

The fare increase is the latest in a series of nationalised industry price rises. Electricity and gas prices will have risen by 29 per cent this year when the gas tariff is increased on October 1. Telephone charges are due to be raised by 17 per cent in November, after an increase of 12.5 per cent in January.

The Government has been displeased and embarrassed by the contrast in the latest retail price figures between the behaviour of the nationalised industries and the private sector. While the RPI rose by 16.3 per cent in the year to mid-August, nationalised industry charges were up by 26.3 per cent.

The Government's decision, announced on Thursday, to allow British Rail to borrow £40m more than allowed for in its original external financing cash limit of £790m, may in part be a response to the widespread criticism of excessive public sector price increases.

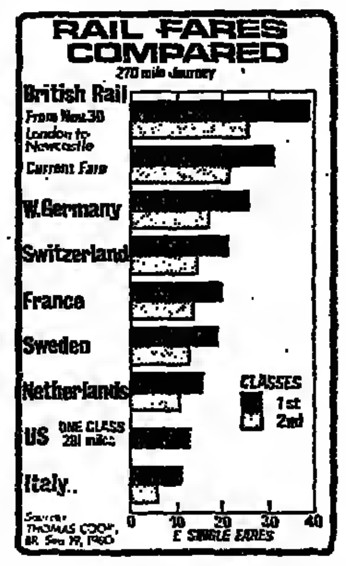
The argument that price rises in the public sector are a highly inflationary way of attempting to control government borrowing has been gaining ground both in the City and among Ministers.

Another justification for allowing British Rail to exceed its original borrowing limits is that large losses on its freight business are a direct consequence of the present recession. Additional borrowing to finance these losses is therefore seen as a sensible response to cyclical economic changes, rather than an abandonment of restraint over the public sector.

As a further boost for commuters, travellers will be able to buy season tickets at the old rate for use after November 29.

Earlier Ministers are believed to have pointed out to BR that it should not put further pressure on commuters by high increases in fares.

The Government's intervention



on commuter fares reflected concern among Ministers about rising discontent in commuter areas over high fares and falling standards of service.

Ministers were concerned particularly about commutors in Parliamentary constituencies where Tory MPs hold marginal seats. The number of daily commuters from some Kent constituencies exceeds local Parliamentary majorities, according to an internal British Rail study expected to be released shortly.

British Rail said yesterday that it had tried to keep to its previous pattern of holding fares steady for 12 months at a time. But the "worsening effects of the recession this year" had made it impossible.

NEW INTER-CITY FARES

Second-class Day Return from London

Destination	Old £	New £	Destination	Old £	New £
Birmingham	9.15	10.90	Liverpool	15.20	18.20
Bournemouth	8.15	9.90	Manchester	15.20	18.20
Bristol	9.70	11.90	Newcastle	23.90	28.70
Cardiff	14.00	16.90	Norwich	9.35	11.20
Edinburgh	26.90	32.30	Nottingham	9.85	11.30
Glasgow	24.50	28.70	Sheffield	12.30	14.40
Leeds	16.00	19.40	York	16.00	19.40

Foreign buying of Japan stocks at peak in August

BY RICHARD C. HANSON IN TOKYO

FOREIGN purchases of Japanese stocks hit a record level for a single month of S1.1bn (£4.6m) in August, the Fioaoce Ministry revealed yesterday.

The inflow, much of which originated from oil exporting cnunlries, appears to have been the main force behind a sharp appreciation of tbe yen in August and early September.

Overseas investment in equities was matcbed by an almost equal quantity of funds poured into otber Japanese securities $600m worth of bond purchases and $400m worth of investments in the short term repurchase hond market (the gensaki market).

Total foreign purchases of securities amounting to $2.1bn were, however, offset by some $1bn worth of Japanese external investments bringing the country's net surplus on long-term capital account for the month to $1.09hn.

This was the second largest long capital surplus cn record. The largest figure to date was registered in May wben overseas interest centred mainly on bond porchases.

The beavy surplus on long-term capital account more than offset a current account deficit of $820m (reflecting continued weakness in Japan's visible and invisible trade accounts) to produce an overall balance of payments surplus of $880m.

This was the largest overall surplus since March 1978 before Japan's overseas balance began to be hit by higher oil prices.

Officials are beginning to worry that the sudden influx of foreigo capital—inspired mostly by confidence in Japan's economy—could just as quickly turn into an outflow if sentiments overseas change.

This, they fear, would disrupt the foreign exchange market.

The August trade account showed a surplus of $330m compared with $113m in Jnly. Exports were up 25 per cent over last year's level, wbile imports expanded only 12 per cent following a 30 per cent yearly rise in July.

Norwegian weight rule bars oil rig

A semi-snbmersible oil rig whicb has drilled 25 wells in the North Sea has now been virtually barred from operating on Norway's sbelf. After technical tests, conducted last week, tbe Norwegian Shipping Directorate has ruled that the rig—the Norskald—may not carry more than 540 tonnes "miscellaneous deck load." Experts say a drilling rig normally needs to carcy a deck load of around 1,300 tonnes, writes Fay Gjester in Oslo.

Statoil, Norway's State oil company, has released Norskald three weeks before its present charter expires, on October 1, because it cannot use the rig with this weight limitation. Esso Exploration Norway, which had chartered it from November 1, seems unlikely to he able to use it either. Esso director Mr. I. Collitt said that tbe company had not yet decided what to do.

Finnish Budget

Finland's Minister of Finance, Mr. Ahti Pekkala, described his 1981 Budget which he presented to parliament yesterday, as a "penny-pinching Budget." Spending of almost Fmks 60bn (£6.9hn) is proposed—15 per cent more than the 1980 Budget. The deficit of nearly Fmks 6bn is to be covered by borrowing at home and abroad, reports Lance Keyworth in Helsinki.

Output up

Swiss industrial production was up 8 per cent in the second quarter compared with the same period of last year. Apart from the final quarter of 1979, this output volume is the higheat in Switzerland since the boom year of 1974, John Wicks reports from Zurich.

Bank Rate cut

The Dutch central hank ls to cut Bank rate to 8.5 per ceot from 9 per cent from Monday. It will also lower the rate on secured loans to 9.5 per cent from 10 per cent aod the promissory note rate to 10 per cent from 10.5 per cent, Reuter reports from Amsterdam.

Death sentence

Martial law authorltles yesterday confirmed the death sentence imposed on dlssident leader Kim Dae-Jung on charges of trying to overthrow the South Korean Government by violence. Commander General Lee Hui-Song, the army chief of staff, also upbeld prlson terms of two to 20 years for 23 other dissidents, Reuter reports from Seoul.

Brotherhood deaths

Seven guerrlllas from the outlawed Moslem Brotherbood were killed in a sboot-out wlth Syrlan security forces in Aleppo, according to Sana, the Syrian official news agency, AP reports from Damascus.

Coffee curbs lifted

Kenya has lifted lts 12-day hlock on rail traosport of Ugandan coffee to the Indian Ocean port of Mombasa, said coffee marketing hoard officials, AP reports from Kampala.

Guerrilla killed

Police in Paraguay yesterday shot and killed a left-wiog guerrilla being sought after the assassination of Nicaragua's ousted dictator, General Anastasio Somoza, and arrested another. Gen. Somoza's remains were flown hack to the U.S. yesterday. Reuter reports.

Oil boosts Soviet hard currency

BY DAVID SATTER IN MOSCOW

ANALYSIS of Soviet foreign trade returns sbow that the Soviet Union is now in the stroogest external financial position since it stepped up its bard currency borrowing at the start of the detente era.

The key to its improved hard currency balance is the rise in world oil prices and large Soviet oil sales through the Rotterdam spot market. These allowed the Soviet Union to benefit proportionately more tban the OPEC countries from price rises sparked off hy OPEC actions and the crisis in Iran.

One consequence of this improvement is that tha Soviet Union is now well-placed to provide the sort of hard currency loans it has extended to Poland in recent months without undue strain.

Higher world oil prices helped the Soviet Union boost its oil revenue by 70 per cent to $9.6bn (£4.03hn) last year, half its total hard currency earnings, despite an estimated 10 per cent decline in the volume of its bard currency oil sales.

Bigger oil revenues helped the Soviet Union reduce its hard currency deficit last year to $2.1bo, its lowest deficit since 1974. Higher prices for gold and other precious metals had a similar effect.

These factors, together with the traditional Soviet surplus on Third World trade, ensured a strong overall surplus position wbich is reflected, at least partially, in a sharp increasa in the amount of bard currency on deposit with Western banks. This rose to $7.1hn at the end of Marcb this year compared with an estimated $5.5bn a year earlier.

The outlook is for a further improvement in the Soviet hard currency situation as the pattern of advance orders suggests that the Soviet Union will import between $4bn and $5bn in Western plant and machinery this year compared with a recent average of around $8bn annually.

Western analysts in Moscow believe that the Soviet Union will continue to reduce the volume of bard currency oil sales from around 1bn b/d to 900,000 b/d this year but will still receive more revenne because of the higher level of prices.

Yugoslavia sets up loans in Europe and Gulf

BY PETER MONTAGNON

YUGOSLAVIA bas made substantial progress in arranging international finance to cover its projected external horrowing needs over the next three years. This was stated in London yesterday by Mr. Ksente Bogoev the country's Central Bank governor.

Banks ln Kuwait bave agreed to provide $250m this year and the same amount over each of the next two years. A large economic package has also been agreed with Iraq for an unspecified amount, and discussioos bave been held on additional hilateral financing witb Libya and the United Arab Emirates.

In Europe bilateral arrangements bave been concluded with hanks in Austria for $100m (£41.7m) and arein the final stages of preparation with Swiss banks for SwFr 100m (£25.6m). A number of other countries, including France, Germany and, Italy have also been approached for funds on a hilateral hasis.

Mr. Bogoev said that thesa funds are not being sought in the form of government aid but from banks at commercial rates with the "moral hacking" of the governments concerned.

Tbe progress on borrowing coincides with encouraging signs on the economic front, he said. Yugoslavia's balance of payments deficit could be held below $2bn this year compared with $3.6bn last year. By 1985 it is projected to fall to $800m.

The country'a foreign exchange reserves have recovered to $2.3bn after falling to a low of only $1.4bn in Marcb. This reflects higher tourism receipts and workers' remittances as well as some short term borrowing abroad hy Yugeslav hanks.

A further step towards meeting this year's external financing requirements will be the negotiation of a large euro-credit from banks in the U.S., UK, Canada and Japan, Mr. Bogoev said, although he declined to disclosed the projected amount.

Preliminary discussiona on this were held with banks in London this week, although lohhying is expected to begin in earnest at the forthcoming IMF annual meeting in Washington.

As already reported Yngoslavia is seeking over $2bn in balance of payments credits this year ont of a total foreign borrowing requirement of about $4bn with the remainder being made up of supplier credits and other commercial credits.

Anger grows among Italy's car workers at official indecision

BY RUPERT CORNWELL IN ROME

TENSION is mounting among workers througbout the Italian car industry over the Government's failure so far either to resolve the deadlock at Fiat, or make up lts mind over the proposed joint venture between Nissan of Japan and the state-owned Alfa Romeo motor manufacturer.

Strikes which have paralysed production at Fiat's plants in and around Turin for the past week continued yesterday and stoppages and demoostratlons disrupted output at Alfa's works around Milan and near Naples, where the factory for the Nissan scheme would be built.

Responsibility for a final decislon on the scheme, wbicb would provide 1,500 jobs in depressed southern Italy, now rests with Sig. Francesco Cossiga, the Prime Minister. But when and wbat the verdict will he bas now become enmeshed with the delicate political equilibrium on which his Government rests.

Meanwhile, efforts are continuing at the Labour Ministry —with little sign of success so far — to find a compromise settlement in the bitter argument between Fiat management and unions over the plans of Italy's blggest private industrial rompany to shed almost 14,500 workers this winter.

Unions representing Italy'a 1.5m metalworkers have called a one-day national strike for next Thursday in protest at both Fiat's envisaged cutbacks and the stalling on the Alfa/Nissan project. A full-scale general strike is also being urged by some labour leaders to increase pressure on the Government.

Fiat has confirmed that a board meeting will take place on Monday, ostensibly to approve the group's first-half results. But there is speculation that details of the long-rumoured capltal-raising operation planned by Fiat may also be finalised.

Ironically, against this background of gathering storm, new figures show that the astonisbing boom in Italian domestic car sales is still continuing. Registrations in the first eight months of 1980 were up 18 per cent on the same period of 1979, and a full-year total of 1.65m vehicles sold is now predicted.

Gen. Evren proposed as Premier

By Metin Munir in Ankara

TURKEY'S senior generals have strongly urged General Kenan Evren (above), the Chief of Staff who seized power last week, to become the conntry's prime minister, according to officials close to the generals.

General Evren and his five-member National Security Council of generals met in Ankara yesterday to discuss this idea which was urged at their meeting on Thursday.

It was not clear yesterday whether General Evren would accept the premiership or whether the job would be given to a civilian.

Prof. Turhan Feyzioglu, a veteran right-wing politician wbo was General Evren's first candidate for the premiership, was apparently rejected because the majority of the National Security Council opposed him. There has been no agreement on another suitable civilian candidate.

Suzuki cabinet hit by scandal

BY CHARLES SMITH, FAR EAST EDITOR, IN TOKYO

THE three-month-old cabinet of Prime Minister Zenko Suzuki was hit hy its first political scandal today when Mr. Kunikichi Saito, Health and Welfare Minister, resigned to take responsibility for the "unwise" acceptance of political funds.

The funds, consisting of three cheques totalling Y15m (£29,500) came from the proprietor of a hospital in surburhan Tokyo who was arrested recently for violating the medical code.

Mr. Saito apparently bad no knowledge of the bospital's illegal activities wben he took the funds. He delayed his resignatioo, however, until the day after a Tokyo newspaper had revealed details of the fund contrlhutions.

Mr. Saito said yesterday he felt that he bad done "nothing wrong" in accepting donations from the hospital (whose proprietor is accused of having carried out false diagnosis on female patients). He added however that be felt it would be difficult for him to carry out his responsibilities after the incident.

Mr. Saito is a former official of the health and welfare ministry — a fairly normal career pattern in Japanese politics.

Prime Minister Suzuki appears to have been initially reluctant to accept Mr. Saito's resignation but eventually agreed to do so in the hope of avoiding an opposition "grilling" over the incident in the Diet. Mr. Saito's successor at the Health Ministry will be Mr. Sunao Sonoda, a former Minister of Foreign Affairs.

Japanese Prime Minister Zenko Suzuki hit hy first political scandal

Philips cuts production at television tube plants

BY JASON CRISP

PHILIPS, the giant Dutch electrical group, and Europe's largest televlsion tube maker, bas announced considerable cuts ln production at four of its nlne European tube plants.

The four plants affected make the 26-lnch tube. Demand for tubes of thls size have been hit not only hy a general poor sales level but also by a shift to smaller sets, says Pbilips.

Redundancies or sbort-time wnrking is helng introduced at Elndhoven ln tbe Netherlands, Dreux ln France, Lehring in Austrla and Achen in Germaoy.

Philips says that production is beìng cut by the same amount at all four plants. At Elndhoven, the workforce of 600 is to be cut by 80—65 bave already been found alternative work. At Dreux, 365 workers have been made reduodant. Working hours are to be cut by a fifth at Liehring and Acben.

The Philips subsldiary Mullard which is the only UK manufacturer of tubes makes 20 and 22-inch sets at Durham and Simonstone. Mullard is rationalising its plants which will eventually result in nearly 900 redundancies.

Iraq plans to 'liberate' Iran land

By Roger Matthews

IRAQ ls to press ahead with plans to "liberate" 200 square miles of territory controlled by Iran. As border fighting continued: the newspaper of tbe ruling Ba'atb party said, however, that Iraq had no ambitions against "strictly Iranian land."

In the fighting this year, Iraq says it bas taken less than half tbe territory lt is claiming. Presldent Saddam Hussein of Iraq said early this week be bad abrogated the 1975 horder agreement with Iran and was taking full control of the Sbatt al-Arab waterway whlcb divides the two countries.

He has yet to refer to two other demands the Iraqis made late last year for improving relations with Tehran. Tbese were the return of the islands at the mouth of the Gulf-Aba Musa and the Greater and Lesser Tumbs—to Arab control and the promise of self-rule for such minorities as the Kurds, Arabs and Baluchis.

At a Friday prayer meeting in Tebran, Mr. Fakhruddin Hejazi, a member of tbe Iranian Majlis (parliament), said Iraq was trying to stir up the people in the oil-rich province of Khuzestan, which has a significant Arah population, "to seize the oilfields for the U.S."

UAE 'lowering oil output'

BY MARTIN DICKSON, ENERGY CORRESPONDENT

THE United Arab Emirates is reported to be lowering its oil production hy 10 per cent—a move which may signal general output cuts by members of the Organisation of Petroleum Exporting Countries.

Dr. Mana Saeed Otaiba, the UAE's Oil Minister, was quoted hy the Emirates newsagency as saying production would be cut by 10 per cent from the 1.7m barrels a day the UAE has been producing in recent months. He added that this week's OPEC conference in Vienna had agreed that eacb member would consider cutting oil output.

OPEC states are currently estimated to be producing between 2m and 3m barrels a day in excess of market demand. Members bave been urging Saudi Arabia—which accounts for one third of OPEC production—to help reduce the glut by dropping its output from 9.5m b/d to its official "ceiling" of 8.5m b/d.

However, Saudi Arabia intends to keep production at 9.5m b/d until the end of the year as a means of forcing other states into agreement on a long-term OPEC strategy.

S. Africa 'plans common passport'

BY QUENTIN PEEL IN JOHANNESBURG

THE SOUTH AFRICAN Government ls workiog on a new constitutional plan to allow all races to share a common nationality within a loose confederation of slates, the two most authoritative Afrikaner nationalist newspapers reported yesterday.

The plan represents a signifieaot departure from the traditional apartheid scheme of rigid racial separatioo at all levels of Government, but it nevertheless insists on separate sovereignty and citizenship for "white South Africa" and the various black tribal homelands.

Although similar schemes have been mooted with increasing frequency in Afrikaner academic and political circles in recent months, the latest reports in Die Burger and Beeld, the natiooalist newspapers closest to Mr. P. W. Botha, the Prime Minister, suggest that the idea now bas official sanction.

The newspapers quote "the highest authority" for the scbeme, whicb would provide a common South African passport for all and create a "confederal chamber for consultation" as a multi-racial umbrella body in the future South Africa.

Tha report, which describes the scheme as "the ultimate dream," stresses that "an overall ronfederal parliament is not foreseen, but a loose ronfederal consultative body." It still provides for racial segregation in virtually all significant spberes of activity—separate schools, separate residential areas and separate voters' rolls.

Its publication coincided with a challenge by Chief Gatsba Buthelezi, Chief Minister of the Zulu bomeland—the country's most populous—for the Government to bold a referendum among blacks on proposals for a new constitution. Other leaders stressed that no plan would be acceptable unless black people were involved in lts formulation.

The report also coincided with a major Government ceremony at which Mr. Botha formally banded over the historic town of Mafeking to the independent bomeland of Bophuthatswana.

Refund for UK delayed

BY WALTER ELLIS IN STRASBOURG

AGREEMENT on an EEG common fisheries policy is the latest condition to be attached to the refunding of part of Britain's contribution to the Community budget.

Mr. Finn Olav Gundelach, the European Farm Commissioner, told the European Parliament yesterday that the establisbment of a fisheries policy had been part of last May's budget refund deal. It was imperative that sucb a policy be agreed and in place before the end of the year, he said, and Britain, with 60 per cent of the Common Market's fisbing grounds, held the key to a solution.

Brussels' promised repayments to Britain were to amount to some £760m this financial year, but progress bas been slow, due first to French obstructionism and then to a developing procedural dispute between the Parliament in Strasbourg and the Council of Ministers.

EEG fisheries policy—which Britain bas been blocking while it seeks more favourable terms —is due to ba discussed at Council level on September 29. Early agreement is, however, thought unlikely.

Rupert Cornwell, recently in Palermo, reports on the changing operations of the Mafia

Drugs alter tacit pact with Italian state

IN PALERMO, Sicily, death is too often fast, hrutal and mysterious. On the morning of Saturday, Septemher 6, Don Giacinto Gastranovo, a worldly friar, friend of the powerful, dispenser of favours to the weak, was shot dead hy two assassins in his cell at the 14th century monastery of Santa Maria del Gesu on the outskirts of the city.

In a drawer beside him police found a loaded Walther P38 pistol, and L4m (£2,000) in cash. The rumours started to fly at once. No one doubts that the killing was connected with tbe Mafia. But how? Some claimed that the cemetery of the monastery had been used as a secret graveyard for the 'honourable society'; others that Don Giacinto bad made a false step in that twilight world where polilics and crioie in western Sicily overlap.

There are no hard facts. But if the Mafia was responsible, the priest would have been the 42nd victim of the Mafia in Palermo so far tbis year.

For two years Palermo, the traditional Mafia capital in depressed western Sicily, has lived througb a bloodbath.

Last year 156 people died at the hands of the Mafia in Sicily and this year's rate is similar. But a difference from the past is emerging. It is the growing impdrtance of the victims—onto the old feudal Mafia of the vendetta bas been grafted a new and yet more ruthless variant.

The change reflects above all a shift in economic interests. The old Mafia grew from the fragmeoted organisations wbich protected the interests of Sicily's powerful (and often absentee) landowners. With land reform in the late 1940s, and the gradual industrialisation of the island, it moved from the countryside to the towns, into building speculation, smuggling, kidnapping and commerce.

In the last few years, however, all this has become secondary, at least in monetary terms to a new involvement—in the ever-growing international drugs trade. The U.S. Drug Enforcement Agency now estimates that one third of the 60 tonnes of pure heroin traded every year passes through Sicily. Those 20 tonnes have a theoretical street value of some $23bn—roughly equal to the total turnover of Fiat, Italy's biggest private industrial group.

It has been a gradual development, but today the so-called "Sicilian connection" is reckoned by investigators to have largely replaced the French connection in the drugs traffic between Europe and the U.S. Dramatic confirmation came just a fortnight ago when police arrested Sig. Gerlando Alberti, believed to be a leading figure in the "nef Fafia," along with six other men in an apparently deserted house 20 miles from Palermo. Three of tbem were French, iocluding a long-sought drugs chemist.

In another building was found a sophisticated laboratory for the production of heroin, bearing out the conviction of American experts that heroin was oot only shipped via Sicily, but also actually produced there.

Sig. Gerlando Alherti, arrested last month and suspected of being a leading figure in the "New Mafia." In the house next door was found a sophisticated heroln laboratory.

Don Giacinto Castronovo, found shot dead in his monastery cell this month in what is assumed to be a Mafia killing. A large sum of casb and a loaded pistol was found in his desk.

To protect these colossal new interests, the Mafia for the first time has started to gun down representatives of the State who threatened its livelihood. In the last 12 months alone Sig. Emanuele Basile, a top carabinieri officer, Sig. Cesare Terranova, a leading magistrate, and Sig. Piersanti Mattarella, tbe widely praised Christian Democrat president of the region have heen among those who died. Most recent of the Cadaveri Eccellenti ("Illustrious corpses" as they are known) was Sig. Gaetano Costa, the city's puhlic prosecutor, shot dead one evening in early August in central Palermo.

His death attracted relatively little attention, coming in the wake of the Bologna station hombing, but Sig. Costa was probing by all accounts into that most sensitive area of all—the maze of nominee bank accounts and financial interests which serve to launder the proceeds of the drug traffic.

The immediate question is what sort of breakthrough is the capture of Sig. Alberti? The Mafia's reply came within 48 bours, when the owner of the botel in which is French associates stayed was shot dead, almost certainly "pour encourager les autres." In the longer run, it is as bard here as in the U.S. to secure firm convictions against Mafia criminals.

The new element today is the international dimension of the Mafia. According to Sig. Pio la Torre, Communist deputy for Palermo, "Sicily is one corner of a triangle. The other two are New York and Milan." The clans in Sicily have close, sometimes even family links with their counterparts in North America. Circumstances also point to ties with Italy's financial capital of Milan, some of them through the banker Sig. Michele Sindona, now serving a 25 year jail term in New York.

Last July Italian magistrates named Sindona and several leading members of the American Mafia as prime suspects in the murder of Sig. Giorgio Ambrosoli, the lawyer investigating the 1974 collapse of Banca Privata Italiana, the centrepiece of Sindona's Italian empire.

But this, like so much else, is one of those enquiriea which never ends, or rather which goes round in circles. Investigation after investigation (including an exhaustive parliamentary enquiry here) bas failed to produce concrete results. The general assumption therefore is of political protection at a high level for the Mafia. The organisation bas thrived not merely by the "omerta" (code of silence) it commands, but also by what has seemed a tacit pact with the State, whose functions it has often virtually replaced.

But that situation is hardly tenable any more, as police and magistrates doing their duty in the name of the State are murdered. Hence the tension in Palermo today. Historically the Mafia has stood for the status quo, indeed it is part of the system. It has in the past sided with the power of the day: first the landowners, then the American invaders in 1943, now the country's dominant political party.

But the murder of three local Christian Democrat politicians in the last 18 months has prompted Sig. Flaminio Piccoli, the party's national secretary, to inform Sicilian Christian Democrat leaders of his desire for "a thorough and careful examin[illegible]n" of events there—a remark taken by many as a veiled request for them to put their house in order.

In fact the biggest inroads against the Mafia this century came under Fascism when Mussolini gave the local police full powers to break the organisation's grip in the western part of the island. The results were not pretty, but more effective than anything since. Ironically, though, his clampdown drove many leading Mafiosi to flee to the U.S. Today their successors are coming back, to take advantage of the benefit of a liberal political system. The results can be seen today.

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UK NEWS

Chemical industry slump shows signs of ending

BY RAY DAFTER, ENERGY EDITOR

THE FIRST signs of a revival in the UK chemical industry'a busioess came yesterday with an announcement of a big price rise for styrene mooomer, an important plaatics material.

At the same time the Chemical Industries Association reported a £76m improvement in the UK's trade balance in chemicals with France.

The price rise was announced by BP Chemicals which bas aboot one-third of the UK styrena market. The company said that aa from October 1, the minimum price for styrene monomer would be increased by about 13.5 per cent, from about $730 (£306) a tonne to $830 (£348) a tonne.

Shell Chemicals, another major styrene producer, is expected to follow BP's lead. It is understood that Shell will alao be seeking a price of about £350 a tonne.

Mr. Robert Horton, managing director designate of BP *Chemicals*, said there were enconraging signs, from market indicators, that the slump in the UK chemical industry was beginning to "bottom out."

Furthermore, U.S. *prices* for benzene — a raw material for styreoe monomer — were *beginning* to rise. This aoggested that U.S. producers should not be abla to undermioe the latest pricing move with a flood of cheap exports.

The *European chemical* industry, faced with depressed demand, has *become* deeply concerned about cheap U.S. chemicals, *largely* made *possible* by the availability of relatively low-priced *fuel* aod feedstocks. An anti-dumping casa against U.S. vinyl *acetate* exports is being prepared by the European Council of Chemical Manufacturers Federations (CEFIC).

BP Chemicals believes that the prospects for the chemical industry have brightened sufficiently to raise prices and to reduce manufacturing losses.

The UK market for styrene is about 300,000 tonnes a year. However, the movameot of styrena is mucb larger than thia amount as a result of imports, exports and intra-company operations. BP Chemicals bas *220,000* tonnes a *year* production capacity in South Wales.

BP *Chemicals'* operations *in* South Wales have been badly *hit by the recessioo in* the UK cbemical industry, caused mainly by the *general ecooomic* conditiona but aggravated by U.S. exports. *Earlier this month* the company announced that it was rednciug its South Wales workforce by 19.4 per cent. Some 300 jobs were beiog cut at the Baglao Bay plastica factory and another 400 jobs were going at the Barry plastics plant. During the first six months of this year BP's international chemicals operations made an operating loss of £2m. The trading loss oo UK operatioos was £34m.

The Cbemical Industries Association report on the UK-France chemicals trade balaoce showed that exports of UK products—plastics, medicines, paints and fertilisers—for the first seven months of this year were £239m, an *increase* of 16 per cent on the same period last year. At the sama time UK chemical imports from Franca dropped by £43m (12.6 per cent) to £297m.

Warning by Prior on public sector pay

By Elinor Goodman

MR. JAMES PRIOR, the Employment Secretary, warned *yesterday that excessive pay* deals in the poblic sector this *autumn could totally undermine* the beoefits of lower *settlements* in *the private* sector.

In a apeech in St. Albans, Mr. Prior reflected the anxiety of his Ministerial colleagues and of industry about tbe way the private sector is bearing the brunt of the recession

The country would look to those working in the pnblic sector to take their fair share of the burden, be said. The "surefire conseqoence" of excessive pay deals throughout nationalised iodustries, the pnblic services and local and central government would be to "thwart any amount of effort and undermine every degree of realism in private industry."

Ministers are particularly concern that the easing of British Rail's cash limit should not be seen as an indication that the Government is prepared to subsidise higher nationalised industry pay deals....In another speech yesterday, Mr. *Norman Fowler*, the Minister of Transport, *said productivity payments* should be tied to the achievement of *greater productivity*

In his speech, Mr. Prior *said there were* enconraging signs of realism on pay as the beginning of the autumn pay round approached. Big money claims wonld be totally out of step with tha national mood.

Developing a theme which is likely to become increasingly familiar over the next few weeks, Mr. Prior stressed that legislation was not enough to create a good industrial relations climate. The responsibility for building trust rested primarily with managements and unions.

● Another warning that any attempt to reverse the Government's anti-inflation policies would be more harmful than seeing them through to the end was given yesterday by Mr. John Biffen, Chief Secretary to the Treasury. He said also that there was still "some further period before we reach the low point of the current recession."

Local councils hit back at Heseltine's penalties

BY LISA WOOD

LOCAL authorities selected by the Government for punitive treatment because of overspending yesterday called the measures "*discriminatory*" in their failure to recognise the *particular problems of inner*-city areas. Many of them will *make official* representations on their special cases.

They were among 14 authorities named by Mr. Micbael Heseltine, Environment Secretary, Labour-controlled except one.

Mr. Heseltine said they would lose a total of £18.42m grant as a penalty for "profligate" speoding this year and for their failure to make adequate attempts to meet Government targets.

This money is in addition to £200m to be withheld from local authorities in England and Wales as a precaution against possible overspeoding on tha *1980-81 budgets*.

Some of the 14 yesterday discussed the *possibility* of a anpplemeotary rata this year.

However, Mr. Jaremy Beecham, leader of Newcastle upon Tyne *district council*, said he would not seek such a rate and would make immediate representations to Mr. Hesaltine.

"It is ludicrous to penalise Newcastle and the Government should reconsider its action. If it will not reconsider our case we will bave to scrape the money together.

Sheffield district council, and Islington, London, will consider whether to go to the Minister to put forward their cases. Mr.

Camden, the authority worst affected, will lose £5.22m. It said it was impossible to absorb this by using contingency funds eaten away by Inflation and wage increases over tha past year.

Mr. Roy Shaw, council leader, said cuts in services would be "disastrous."

No Labour-controlled authority said it would cut services. Islington said: "We have already made all feasibla economies and aavings to keep down the rate.

Mr. John Kotz, deputy-leader of Hackney Council, one of three boroughs to lose inner-city partnership money as a further penalty, said: "We are left with a aerious sense of doubt whether Ministers bave aoy real basis for understanding the almost Impossible situation confronting a borough loke ours."

MacGregor's BSC review delayed

BY ALAN PIKE

THE GOVERNMENT accepts it may he weeks before the final review of the British Steel Corporation's prospects by Mr. Ian MacGregor, the BSC chairman, is delivered to Sir Keith Joseph, Industry Secretary.

It was expected he would submit recommendations, including *those* oo the question of more capacity and manpower cuts, about now.

But the overnment expects *him, before reaching* conclusions, to want to implement Thursday's proposals for decentralising the corporation. *This auggests a delay of at least* a month.

A mora urgent topic for discussion than BSC's long-term future when Mr. McGregor meets Sir Keith on Tueaday is likely to ba the immediate state of BSC's finances. Tha Government knaw BSC would fail to meet *cash* limits for this financial year, by £400m or more, but the steel market's depressed state is worsening this problem.

● The consortium seeking to acquire Consett steelworks received yesterday details of conditions on which BSC would sell the plant. While details were not disclosed the main difficulty concerns running costs until the consortium would be ready to take over the plant in two or three mooths' time.

Block votes under fire

BY ELINOR GOODMAN

TWO MEMBERS of Labour's National Executive from very different ends of the political spectrum yesterday attacked the way the nnion block votes operate at the party confereoce. From the Right, Mrs. Shirley *Williams*, the former Labour Education Secretary, argued *that* the block vote *should not* he accepted as a permanent *feature of a democratic Labour* Party.

From the far Left, Mr. Dennis Skinner, who sits on the constituency section of the executive, called for an immediate reduction in the proportion of votes wielded by the nnions at confereoce on the grounds that they were contributing proportionately less money to the party than they wera when the block votes were originally *allocated*.

A number of other members of the executive are privately unhappy about the way the big unions have an effective veto over the party. But there is no chance of any changa in the system this year and the blg unions will, therefore, play a key role in deciding whether the party accepts the constitutional changes demanded by the Left.

Publicity officer of CBI to leave

By John Elliott, Industrial Editor

A NEW director of information is to be appointed by the Confederation of British Industry (CBI) shortly to succeed Mrs. Dorothy Drake who is resigning at the end of the year.

Mrs. Drake told Sir Terence's *predecessor*, *the late* Slr Joho Methven, shortly before he died, that she wanted to leave by tha end of the year. She joined the CBI at Sir John's request three years ago, having worked for him in his previous post when he was Director of Fair Trading.

Important oilfield off W. Ireland confirmed

By Ray Dafter, Energy Editor

BRITISH PETROLEUM bas confirmed the presence of an *important* oilfield in *the* Atlantic, about 100 miles west of Ireland.

The company, as operator for the BP/Aran group of eight exploration interests, said the second well drilled on the Porcupioe Basin block 26/28 bad found oil-bearing rocks of similar thickness to those discovered with the initial exploratioo well.

Tests on the latest well resultad in flow rates of 1,120 barrela a day and 370 b/d from two separate sections of the reservoir.

Some oil industry observers were disappointed that the flow rates were not higber. The first well, drilled last year, was tested at rates of between 579 b/d aod 3,093 b/d.

Stockbrokers Wood, Mackenzie said it was not alteriog its original estimates of recoverable reserves: between 200m and 300m barrels.

A field of this size would have a marked effect on Ireland's eoergy balance and *economy*. The country's oil consumptioo is about 100,000 b/d — all imported.

BP said the latest well, drilled in a water depth of 1,230 feet by tha rig Sea Conquest, was located towards the western edge of the geological structure. Tba geology was complex and that, as a result of faulting, the sandstone tested in the first well was not found in this latest well.

But the oil discovered is light and of bigh *quality*. Its *specific* gravity is said to be betweeo 39 and 41 degrees API.

Tbe exploration group plans further *drilling operations*.

Record output in S. Wales coalfield

By Robin Reeves, Welsh Correspondent

PRODUCTIVITY in the South Wales coalfield reached a record higb of 1.59 tonnes per man last waek as production rose to 174,243 tonnes, the National Coal Board (NCB) said yesterday.

In spite of a steady improvement in productivity and outpnt, sustained since April, the threat remains of pit closures and industrial action by Welsh miners against any shutdowns.

Production costs in South Wales are still about £12 a tonne above the *average* prices received for the coal sold.

Drastic cutbacks in the steel iodustry and *increased imports* have reduced the coalfield's market for *high-value coking* coal by more than 1m tonnes.

Part of the loss has been made up hy increases in sales for power generation and exports to EEC customers. But the sales are made at appreciably lower prices than those obtained for coking coal—and uosold stocks are still accumulatiog. Curreotly, they stand at more than 5m tonnes.

Mr. Philip Weekes, the NCB's South Wales director, said that the best performances were achieved by collierles where capital had been spent on reconstruction and re-equipment.

Even so, the difficult marketing climate, the recession, and otber factors had restricted the *increase* of *earnings from* coal sales to 13.6 per cent while costs had *risen* by *18 per cent*.

Mr. Weekes emphasised that the special ecooomic reviews of several South Wales collieries wonld go on, in spite of *the* continuiog boycott of the procedure by the leaders of local miners who regard them as merely a prelude to a round of closures.

"We must seak ways of making our own economies, rather than have them imposed upoo us," he said.

Development agencies criticised on target

BY ANTHONY MORETON, REGIONAL AFFAIRS EDITOR

BOTH the Scottish and the Welsb Development Agencies were criticised in reports pub*lished* yesterday by the influential Public Accounts Committee of the House of Commons for paying insufficient attention to the rates of return on their investments.

The committee urged the SDA to davise additional measures or tests as part of its general guidelines. It also hoped that tha SDA would avoid losses on the *scale* experienced between inauguration in 1975 *and the* end of tha *financial* year 1978-79.

The committee was critical of the steps the WDA takes to evaluate a potential investment, about the ability of the agency to obtain a rate of return on its investments comparable to those achieved hy Industry generally, and about the possibilty of duplication with other agencies operating in Wales.

Both agencies have achieved a aimilar rate of return on investmeots. The Scottish return for 1978-79 was 5 per cent and the Welsh 4.95 per cent. On inauguration, each was given a target of 15 to 20 per cent by 1981-82.

The *SDA* told the committee that the need to takea long-term view about investment, and the desire to encourage the re-equipment and development *of* industry, meant that the 15-20 per cent guideline was impractical. *It further added* that revised guidelines given it—as *well as* to the *WDA*—by the Conservative Government means that it would be much more difficult to achieve the target rate of return.

Eighteenth Report from the Committee of Public Accounts; Scottish Development Agency. SO; £2.50.

Thirty-third Report from the Committee of Public Accounts; Welsh Development Agency. SO; £2.80.

Ulster plan for homes at 5p rent

By Our Belfast Correspondent

THE Northern Ireland Housing Executive is considering a scheme under which it could offer 3,000 "less desirable" public *authority* homes at a rent of 5p a week.

The major drawback for prospective tenaots is that they will be responsible for major repairs and improvements. Grants and loans will be available but the executive admits that teoaots will face a considerable challenge.

The bouses involved are structurally souod and most have kitchens and hathrooms. They are spread around 27 bousing estates but maoy of tbem are in areas which have been affected by violence.

Applicants for the homes will have to be on the bousing list. The executive will offer a three-year lease, *after* whicb the tenants will bave an option to boy at a *minimum discount* of 30 per ceot or to stay on at a realistic rent.

A spokesman said: "Wa are looking for sturdy, self-reliant teoants who will be able to rebabilitate these houses, otherwise they are going to lie unoccupied for the foreseeable future. We bope it will help reduce the waitiog list for housea."

A constituent said: 'Would you like to buy my bank?'

WILLIAM HALL describes how European Ferries has become the only entreprenevrial business in shipping to own an accepting house—an elite City club.

TO THE man in the street, European Ferries may he just anothar cross-Channel ferry company, alheit the largest independeot operator in Europe. In the City, howover, European Ferries has a different reputation. It Is regarded as an entrepreneurial operation.

Its declsion to huy Singer and Friedlander, a memher of the Accepting Houses Committee, is characteristic of the way it likes to do business. Mr. Keith Wickenden, European Ferries' *chairman*, *and* Tory MP for Dorking bappened to be talking to Mr. John Cooper, *one* of his constituents, and managing director of Singer aod Friedlandar, who asked wbether he was interested in boying his hank.

"We had wanted a bank for a long time, but never dreamed we would get an accepting house," said Mr. Wickenden yesterday. Within seven weeks of first talking to Mr. Cooper, European Ferries had finalised the deal.

Mr. Wickenden handled most of the negotiations because the other key man in the Euro-ferries empire, Mr. Ken Siddle, the managing director, had his hands full with the French fisbermen's hlockade of the Channel ports.

Mr. Wickenden sees nothing *strange* in the alliance with Singer and Friedlander. Ha *points* out *that companies* such as P & O. and British and *Commonwealth* Shipping *own* banks/finance houses. But he *notes wryly* that none of them owns an accepting house—a member of the City's elite cluh of merchant banks.

Singer and Friedlander is pleased to be left independent. European Ferries sees benefits *for its rapidly growing* property and financial services division.

C. T. Bowring thougbt much the same when it paid £25m for Sioger aod Friedlander in 1971. That liaison never proved much of a success. But thera is a good chance that European Ferries will he more successful.

Although *European Ferries* is still heavily dependent on *shipping*, its recent history has been characterised by a series of entrepreneurial moves which make it a *very suitable parent* for a merchant hank.

The two *key* men lo tha orgaoisation are Mr. Wickenden, the chairman, and Mr. Ken Siddle. Both are chartered accountants, but there the resemblance *stops*. Mr. Wickenden produces the ideas (not all of which bave been successful) aod Mr. Siddle *thinks* them througb.

In its early *years*, *European* Ferries prospered because it was one of the few ferry companies to have access to Dover, the main cross-Cbannel port, which gave it a near monopoly position. Also, its main competition was the oationalised ferry company Sealink. Sealink *is* a well *run* company, but it bas never had the commercial flair of European Ferries, and this enabled the latter to build up its market share rapidly. In 1965, European Ferries bad one ship on the Channel. Today, it has over 20 ships.

Under Mr. Wickenden's cbairmanship, European Ferries' turnover has risen from £17.1m in 1971 to £171m last year and, over the same period, after-tax profits bave jumped from £2.6m to £26.1m.

Initially, the *stock* market was sceptical of its progress. To buy its ships, it bad to borrow beavily, and its heavy gearing was a constant *worry* to tha analysts in the early 1970's.

However, Mr. Wickenden has managed to transform its balance sbeet. *A* rights issue in 1975, followed by the takeover of English and Caledonian Investmenr Trust in 1977, reduced its gearing substan*tially*, and eoabled *European* Ferries to diversify first into ports (it bought Felixstowe in 1976) and then into property, which one senses is Mr. Wickenden's first love.

Along the way, there has been the unsuccessful incursion into the air charter business via Invicta Airways and a brief flirtation with Furness Withy. Genarally, European Ferries' diversification moves have been a success.

Last year, the property side contributed £8.2m and the highly lucrative Denver deal is expected *to* cootribute as much as £150m over the next 15 years.

LABOUR NEWS

Dockers will resist loss of clerks' jobs

BY PAULINE CLARK, LABOUR STAFF

LEADERS OF the Transport and Geoeral Workers Union in Liver*pool warned yesterday* that the union was prepared to fight port employers *if* there is any move to make redundant 40 shipboard clerks employed by T. and J. Harrison—one of tha companias at the centre of the *dispute* which led this week to a call for a national docks atrike.

The union said yesterday that although the clerks were not covered by the same national job protectioo agreement enjoyed by dockers, it "would expect" Liverpool port employers to allocate the redundant staff to new employers.

It would, however, delay moves to protect the staff until dockers decide at a national delegate conference tomorrow on whether to call off the strike dua to start on Monday.

A peace formula is to be put to the dockers in which employera are believed to have con*ceded* to their demand that 180 dockers—employed by T. and J. Harrison, the *stevedoring* company, and Bulk Cargo Handling *Services*—should be absorbed into the Liverpool port's surplus *labour pool* and not be struck off the employers' payrolls.

The dockers, *supported* by the executive of the TGWU, have *said they will strike if the* 180 men are made redundant and put on the *Temporary* Uoattached Register contrary to the *Jones/Aldington agreement* on dock labour organisation *which* ended *the* 1972 *strike*. Union leaders are recommending acceptance *of the formula*.

London weekly journalists turn down employers' latest offer

BY OUR INDUSTRIAL CORRESPONDENT

BRANCH officials of the 500 journalists working for London's weekly papers yesterday voted to turn down an improved offer from their employers and continue their strike.

They voted 20—1, with one abstention, to endorse the decision of the general secretary of the National Union of Journalists, Mr. Ken Ashton, who had earlier dismissed the offer as *inadequate*.

At a meting earlier this week, the *Newspaper Society had* added £1 to its previous offer *of £8.50 for a London* weighting *allowance* from January 1.

Mr. Frank Barlow, general manager of Westminster Press and the Newspaper Society's chief negotiator, said last night that tha offer was final. He was willing to meet the NUJ to clarify it, but he would not improve it.

Shipping companies face 16% claim from seamen

BY PAULINE CLARK, LABOUR STAFF

BRITAIN'S shipping companies, who are concerned about continning trading difficulties this year, are *facing* pay claims well into double figures from both seamen and merchant navy officers during the autumn wage round.

Tha National Union of Seamen yesterday tabled a claim for a "substantial" increase for 30,000 merchant seamen. *Coupled* with a demand for better overtime rates, the total package *is expected* to work out at about 16 per cent.

Meanwhila union negotiators for 50,000 merchant navy officers were yesterday preparing a claim aimed at achieving a settlemant well in excess of any agreement reached with the aeamen because of an erosion in *differentials* over *the past* year.

Last January, seamen received a rise in average earnings of about 24 per cent after officers accepted 17½ per cent from their November 1 settlement date. The aeamen'a deal was described then as "a slap in the face" by Mr. Eric Navin, genaral secretary of the Merchant Navy and Airline Officers Association.

Tbe seaman this year are seeking a three-point deal including a susbtantial increase on the £64 basic a week for an AB rating, consolidation of the £5 efficieocy service paymaot and an improvement in overtime ratea from time and a quarter.

The averaga seaman, who *works* a 40-boiur week but wbo regularly does 30 hours overtime on *1978 estimates*, receives weakly earnings of £141.22.

The officers will ba represented by MNAOA, the Radio and Electronic *Officers'* Union, the Amalgamated Union of Eogineering Workers and the masters' negotiators at a meetiog with tha General Council of British Shipping next week.

Settlements reached with the council provide a basis for individual company agreements in negotiations cooducted at local level throughout the year.

The council warned yesterday that the state of the industry imposed "clear limits" on what its 200 member-companies could afford.

BBC unions accept peace formula

BY OUR LABOUR STAFF

THE STRIKE at the BBC, which bas disrupted television programmes and production for the past week, ended yesterday when unions accepted a peace formula.

Following the agreement, 400 staff in the BBC's London scenery departments returned to work. Normal production was resumed during the afternoon.

The threat to production of several programmes, including the Two Ronnies, The Parkinson Sbow and Grandstand, was also lifted.

Agreement *to* end the strike over a demarcation dispute involving scenic construction and operations staff followed a nine-bour meeting between unions and BBC management under the umbrella of the *Advisory*, Conciliation and Arbitration Service

Unions involved were the Association of Broadcasting Staff and the National Association of Television, Theatre *and* Kioe Employees, who have agreed to talks with management on a coda of practica covering staff in the scenery department.

Electricians gain steel managers

By John Lloyd, *Labour Correspondent*

THE British Steel Corporation's managers' union yesterday voted to join the white collar section of the Electrical and Plumbing Trades Union.

Members of the Steel Industries Managers Association voted by 4,099 to 1,360 to become an autonomous division of the Electrical Engineering Staffs Association.

Mr. Tom Rice, tha national officer of EESA, said the managerial dimension within trade unions was growing in importance, and tha merger would streogthen the position of the union.

The EPTU ia also holding exploratory talks with the 48,000-strong Engineers and Managers Association, and with the 151,000-strong Association of Professional Executive, Clerical and Computer Staffs.

Mr. Robert Muir, general secretary of SIMA, said the Association would retain its present structure and executive.

Isle of Grain

A STORY oo the Isle of Grain dispute in yesterday's Financial Times aaid that certain johs on the site had heen "traditionally reserved for the Transport and General Workers' Union." This should have read "traditionally reserved for the General and Municipal Workers' Union."

Ayrshire Marine men refused support

BY RAY PERMAN, SCOTTISH CORRESPONDENT

SHOP STEWARDS from the Ayrshire Marine platform construction yard at Hunterston on the Clyda, which bas bean threatened with closure, failed yesterday to get support for their dispute from othar oil yards.

Represeotatives of the work forcea of the other four yards *in Scotland* building *structures* for tbe North Sea met the Hunterston stewards in Edinburgh. Althougb no statement was issued *after the* meeting, it ia understood they refused a request for *sympathy strikes*.

Natiooal officials of the two unions involved, the Boilermakers and the General and Municipal Workers, met Chicago Bridge and Iron, the U.S. company whicb manages Hunterston, in *Newcastle* on Thursday. They failed to persuade the company to re-open the yard, but another meeting may be held next week.

Ayrshire Marine bas been building the steel jacket for Phillips Petroleum's Maureeo Field, but the contract is badly behind scbedule.

Phillips told the unions yesterday that the yard had suffered from militaocy and poor productivity. The company had little confideoce that the Maureen jacket could he completed at Hunterston and was "making plans accordingly."

Vickers delays lay-offs

BY JOHN LLOYD, LABOUR CORRESPONDENT

LARGE-SCALE lay-offs at Vickera Shipbuilders' Barrow yard bave been postponed by a week to allow talks to take placa batweeo tha Vickers management, British Ship builders (its parent company), and the Confederation of Ship-Uniona.

Tbe talks, which will take place on Wednesday, are aimed at *averting the plan to put* 3,500 of Vickers' hourly-paid workers on a three-day week. The plan was due to take effect on Monday.

It is understood that the eight-week atrike by the 1,300 *boilermakers* at the yard, wbich has caused a reduction in tbe work available for other craftsmen, is oot on the agenda. However, Mr. James Murray, the general secretary-elect *of* the Boilermakers' Union, is likely to meat Vickers for separate talks in the near future.

The dispute has caused serious delays on the four nuclear submarines and the guided missile destroyer being huilt in the yard.

THE WEEK IN THE MARKETS

Equities battered by the enemy within

LONDON

ONLOOKER

The equity market began the last week with innocent worries about the dock strike and the essier trend in gilt-edged, which bave been consolidating tbe sharp rise of the last two weeks. After dipping helow 500 again on the FT 30-Share Index equities had recovered to 507.4 hy Thursday lunchtime, at which point a blow was struck hy the enemy within, in the form of a dividend cut from Guest Keen and Nettlefolds. Where GKN lesds others may follow, and yesterday the fall-out was still spreading, as the index headed back towards 490.

Gilt-edged meanwhile, baying rallied in midweek, were suhdued yesterday and closed the week little changed on balance.

Chocolate changes

There has heen a msjor change in the UK confectionery market during the last year or so, according to Sir Donald Barron the retiring chairman of Rowntree Mackintosh. Volume chsnges in the industry used to he modest and predictahle. Now they are anything but. At a time of high interest rates and uncertain consumer demand, retailers are desperately anxious not to get stuck with slow moving lines, and are changing their mind about the business outlook almost from week to week.

In the first six months of this year, Rowntree's sales volume fell hy a full 6 per cent in tbe UK—hetter than the 9 per cent drop suffered by the industry as a whole, but still very painful at a time when the group is spending heavily on fixed assets aod hrand development. In addition, margins on sales in continental Europe—around a quarter of the group's total turnover tbese days—have been wiped out by the strength of sterling and keen price competition.

The upshot of all this, reported on Thursday, was a 54 per cent slump ln half-year profits to £4.3m pre-tax. Tha group traditionally makes the bulk of its profits during the Christmas selling season—and at the moment the hig retailers are not committing themselves about the likely level of orders. Their final decision will obviously have a major impact on the overall profits outcome.

City projections for tbis year's figures rsnge quite widely between around £30m snd £35m pre-tax. Last year, Rowntree made £40.4m, and in 1978 it bit s peak of £45m.

Things may be hetter next year. Cocoa prices are falling, which should help to make chocolste confectionery more competitive in the food stores. Any reduction in interest rates will be s hig help, too, since Rowntree's interest bill this year could well be over £15m. But the real henefit from the big investment programme is going to take longer to show through, and maanwhile Rowntree is just keeping its bead down and slogging on.

Digesting Spillers

Tbe markat digested Dalgety'a figures surprisingly well. Despite taking in a full eight months from Spillers, profits before tax crept ahead by just £1.8m to £33.3m. Earnings per share, based on average capital, slumped by 40 per cent.

Yet when Dalgety paraded these figures in front of the market the share price rose by 13p to 295p. Outside forecasts hsd been downgraded rapidly before the announcement to around £30m against the £50m canvased at the time of the Spillers take over last year. So the price reaction was more a sign of relief.

Tbe areas of disapointment include Dalgety's U.S. frozen food operation wbere customer destocking cost around £5m while Spillers' contrihution was lower than originally expected. The new addition chipped in just £6.7m to profits, after interest charges of £4.8m. The maio reason for Spillers' low return waa the decline in demand for dairy faeds, the impact of the steel strike on the canned pet food husiness which cost £2m, and tbe U.S. subsidiary Modern Maid, which continued to make a loss.

The full impact of integrating Spillers ia shown up in s £20m charge within the extraordinary item below the line.

Interest costs have been a significant burden, jumping by over £12m to £26m. But Dalgety is working hard to conserve cash and surprisingly balsnce sheet gearing ls not mucb different to a yesr ago. But Dalgety is still a heavily geared animal although with some £170m of its debt on flosting rate a cut in interest rates would hsve an immediate impact on tbe p and l account.

There is scope for recovery this year but other problems are emerging—such as malt—and Dalgety needs to produce £42½m profit this year just to make 30p a shsre earnings on the enlarged capital. That will take a good performance from its Australasisn commodity interests, which may or may not happen.

Willis Faber

The market had every reason to believe that Willis Faber, the insurance hroker, was going to be down at the half year end. Sedgwick, reporting ln the week heforehand, wss off by a tenth and the strength of sterling coupled with soft premium rates in many areas had bean taking its toll of hrokerage income.

Tbe omens, however, were proved wrong as Willis Faber produced a 19 per cent pre-tax improvement. The group bas seen first indications of a strengthening of its major marine and aviation markets, but profits for the second half are expected to be no better than they were last year. An increase of nearly a third to £2.4m in profits from the 22 per cent owned Morgan Grenfell merchant banking associate also helped.

The news brought the sparkle hack to the insurance broking sector. At the beginning of this month the sector index hsd heen barely outperforming the FT All-Share Index with a gain of 17 per cent over the preceding 12 months. Now, the insurance broking sector is 32.14 per cent up on a year-on-year hasis whila the All-Share has put on 21.6 per cent.

The gain in the last week was no less than 12.75 per cent. That was not enough, however, to match the annual performance of the compoaite insurance index which, after a amall gain during the week, is now showing a 12 month advance of 45.92 per cent. Results from Eagla Star and Legal and General during the waek nnderlined the optimism. Desplte a somewhat patchy performance from the former, in which the liability husiness suffered a £5m loss, profits frob moth groups in the first half expanded by a quarter and the msrket is predicting that growth can be broadly beld in the rest of the year.

UDS under pressure

Figures coming out of UDS, the diverse retailing group are going from bad to worse. In the first balf nf last year profits were only £10m and that was considered a poor shnwing. Now the half time achievement is just over £2m and this small profit bss only been achleved thanks to interest savings after its shareholders subscrihed £35½m of rights issue money last year.

All round, the High Street retailers have been under pressure but ln UDS's case there are some specific problems. Part of its mail order catalogue operation, John Myers, produced a £3m loss ln tha first six months. UDS has already announced that it bas finally given up battling witb Myers and the business will be sold to GUS next January. Nevertheless there could still be above tha line losses of £1m or so ln the current six months.

Multiple shops meantime have also been ln the doldrums. Richard Sbops, the jewel ln the UDS crown, was only trading at break-even and the men's and women's clotbing business overall made a £3m loss.

The second balf is always more important to profits and this six months will again be compared with an uninspiring performance. So the full year msy look a little more encouraging but still profits will be well down on the £24m for 1979-80. That however is prohahly fully discounted in the market unless the second six months produces some very poor figures.

The stores analysts are already running their slide-rules over the next 12 months and making out a fair case for substaotial recovery. The Myer's losses will he absent and retailing generally could start to look a little brighter. If a recovery is in sight UDS may well hold its full year dividend this year for a yield of 13½ per cent.

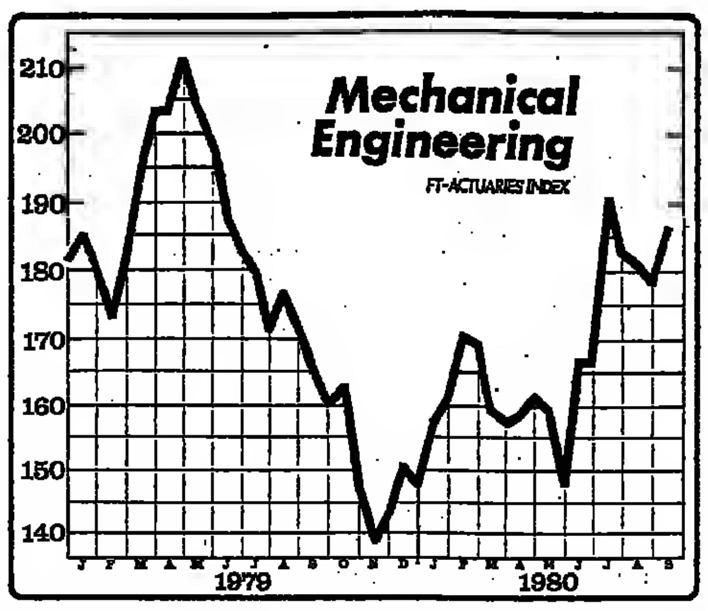
Even so the market is still left with the perennial question of wbere UDS is going in the long term. The answers do not seem all that encouraging.

Burmah's tax trap

The widening gulf between the profitability of oil and non-oil companies in tbe UK was vividly illustrated hy Burmah's figures this week. Overall, profits hefore tax increasad smartly to £38.4m from £28.2m but this progress masked a collapse in automotive profits and an unchanged return from engineering. Without the Thistle interests, which almost trebled their contribntion to £15.2m, profits would have heen roughly maintained.

All is not roses in the North Sea, however. Burmah is running into beavy petroleum revenue and corporation tax liability on the Thistle Field, which helps to explain why a dividend costing only £2.2m was not increased. Profits hefore tax will almost certainly be up for the full year but the higher tax bite should produce a lower attributable figure.

Burmah's problem is that it cannot use its allowances and accumulated losses within the UK to offset against Thistle earnings, because of the North Sea tax fence. Furthermore, its enormous accumulated tanker losses — whicb were incurred abroad—cannot be applied to its UK corporation tax liability, so the company is trapped both ways oo the tax front. It also demonstrates the less attractive aspects of a conglomerate. An investor interested ln Thistle income can find a more straightforward way in through Tricentrol or Charterhouse Petroleum, while anyona seeking to huy cbeaply into the automotive or engineering businesses will be deterred by the fancier rating placed on the energy interests.



MARKET HIGHLIGHTS OF THE WEEK

	Price Y'day	Change on Week	1980 High	1980 Low	
F.T. Ind. Ord. Index	494.4	−14.5	508.9	406.9	Financial pressures on industry
F.T. Gold Mines Index	504.8	+36.4	504.8	265.5	Stock shortage/steady hullion
Aran Energy	315	−131	490	153	Disappointing drilling result
Burmah Oil	187	−20	249	162	Disappointing interim results
Chambers and Fargus	29	+9	29	22	Excellent preliminary figures
Cons. Gold Fields	625	+30	625	385	Div. increase/60% profits rise
Cornell Dresses	58	−28	88	10½	Profit-taking
Denbyware	89	+15	118	65	Talk of bid from Crown House
Distillers	218	−12	235	184	Chmn's. warning on prospects
GKN	191	−33	279	189	Depressing interim statement
Impala Platinum	530	+80	535	240	Firm platinum/buoyant mines
Johnson Matthey	265	+29	273	102	Bullion interests/bid hopes
KCA Intnl.	121	+12½	121	41	Speculative interest
Kitchen Queen	9	−4	44	8	Further provision for losses
Marler Estates	105	+26	112	38	Bid approach
O.R.E.	125	+33†	125	92	Successful debut
Ofrex	89	−13	107	80	Disappointing interim results
Sirdar	100	+9	120	77	Pleasing annual results
Sony	660	+95	680	275	Record nine-monthly figures
Willis Faber	260	+34	273	207	Good half-year results

† Based on Tuesday's opening.

A rush, but not quite a record-breaker

NEW YORK

PAUL BETTS

LIKE A Rossini overture, the New York stock market this week has wriggled up and down at such at feverish pitch that its dizzy movements at ona stage on Tbursday provokad a delay of as much as 17 minutea on the hig board price quotation tape which simply could not keep up with the pace and voluma nf traffic.

In this sort of climate it seemed recorda were bound to ha broken. But somebow the market nevar gathered qulta the mnmentum to make it.

The crescendo gathered steam on Wednesday in the aeventh heaviest trading day on record when at the final bell tha Dow Jones Industrial Average had climhed hy 15.36 points—its sharpest rise in almost five months—to reacb 961.26 within a abadow of its three and a-half year high of 966.72 reacbed last month in the first hour of trading on Thursday it continued to climh advancing hy an additional 6 points to 967.49.

Bnt it was unahle to maintain this new three and a-half year high and by the end of the day the Dow tumbled after the initial euphoria. It looks as if the Dow is still stuck at tha mid-900 mark and cannot quite get up the energy to move closer to the magic 1,000 level.

This seems to suggest that Wall Street continues to have mixed feelings over the extent of the recovery in U.S. business activity. While the market had earlier been encouraged by further signs of recovery in the economy with a Government report ahowing a 12 per cent increase in August housing starts over July and forecasts of real GNP growth in the fonrth quarter.

The lid bas been kept down upon it because of fears that third quarter corporate earnings might be worse than expected coupled with concern over the recent rise in interest rates further reflected yesterday by the decision of several major U.S. banks to adjust upwards again their prime lending rates by a quarter percentage point to 12½ per cent.

Nonetheless, considering the latest rise in interest rates and the glum forecasts over third quarter corporate earnings, Wall Street feels the stock market has done surprisingly well. Since April, a long summer rally bas pushed the Dow up by more than 200 points, and significantly some of the old timer auto and railway stocks have been rising like a phoenix out of the ashes.

In the case of railways, a group virtually ignored by Wall Street at the beginning of tha year, their recent gains have helped push this week the Dnw transport average to a new record high of 345.91. Leaders in the field have heen such component issues like Union Pacific, now in the mid-50s, Santa Fe Industries, edging towards 70, Seaboard Coast Line, nearing 50, and Missouri Pacific, close to 75.

A series of factors appears to be behind the latest rally in rail stocks. Among these, are signs that the deregulation proposals for the industry now appears to be hack on the rails while there sre growing prospects of a surge in profits from coal hauling. Moreover, many of the big railway companies are now part of groups with substantial and attractive interests in natural resources.

But one curiosity in this sector thia week has been the way in which Santa Fe, the Chicago-based rail and natural resources company, has rolled on in Wall Street despite announcing last weekend it was abandoning a proposed $1.2bn merger with its old rival from San Francisco, Southern Pacific, which would hava created one of tha largest railway networks in the U.S. covering 25,000 miles.

Traditionally stocks tend to bounce up when mergers are proposed and decline when such proposals are called off. But in the case of Santa Fe, the market never seemed all that enthusiastic over the ambitious merger proposals first announced last May. Indeed, at that tima Santa Fe stocks dropped.

For their part, auto stocks have been having something of a revival. Although the big U.S. motor companies have all been losing money, chopping their dividends and have generally warned that the short-term outlook remains gloomy, analysts and investors are looking at them with increasing interest.

One Wall Street analyst expects General Motors to lose $2 a share this year, Fnrd $7 a share and Chrysler as much as $18 a share. But like other industry watchars and apparently investors, he feels that bad as things are they can hardly get worse.

Indeed, with all three companies launching their new fuel economy small models and the prevailing mood of optimism, on the surface at least, Wall Street expects things to gat much better for the larga car manufacturers.

Some analysts are already projecting that General Motors will be earning nearly $7 a ahare next year, while earnings at Ford could be as mnch as $20 a share by 1984. As regards Chrysler, if it can sell out its new front wheel drive production next year, the company able again posting earnings, according to a Wall Street car industry analyst, of about $6 a share by 1983.

Signs of this renaissance have already been translated in the gains shown by General Motors, Ford and Chrysler. These stocks were undoubtedly at their worst in April when General Motors (which hack in the good old sixties when tbe Dow went through the 1,000 barrier for the first time and GM was trading at more than $110), was hovering around the $40 mark while Ford was down at $22 and Chrysler at a pathetic $5.

Since then all three hava leapt back. GM, byt last week, was in the mid-50's, Ford over $30, and Chrysler had breached the $10 harrier. And in the case of GM, if one bothers to pick up a magnifying glass and scurry through the stock market prices, ooe will come across a most astounding figure.

It will show that GM's price-earnings ratio is above 90. While the figure is clearly artificial, it nonetheless brings food for thought.

MONDAY	937.63	+1.11
TUESDAY	945.98	+8.27
WEDNESDAY	961.26	+15.36
THURSDAY	956.48	−4.78

Still in the land of smiles

MINING

KENNETH MARSTON

SPARKLING PROFITS may hava all but fled from the company news scene these days, hut tbey are still to be found ln the minlng industry. It remains in good heart with the exploration teams as active and optimistic as ever, althougb the smiles have become a little forced as far as the producers of some base metals are concerned.

Still, the ahare market has found plenty to smlle about this week in tha results annouoced by two of the majors, Rio Tinto-Zinc and Consolidated Gold Fields, and has been undismayed at the confirmation thst RTZ is to make a mammoth £126m offer of convertible loan stock.

Shareholders are being offered £1 of the stock at psr for every two shares held. It will pay interest at 9½ per cent per annum and is redeemable hetween 1995 and 2000. The stock also carries the important right for a holder to exchange £100 nominal of stock for 20 shares in RTZ during the month of Juna in the years 1984 to 1999 inclusive.

In other words, a holder of, ssy, 200 shares in RTZ is being offered £100 of loan stock which, from 1984 onwards, he will be sble to exchange for 20 RTZ shsres. This means that he will then he paying the equivalent of 500p per shsre. Well, he can buy tham in the market now for less than that.

But if he does, the annual return on them at the present price is about balf that offered on the loan stock. The share yield may rise with dividends over the next four years but dividends are unlikely tn increase mucb until we are out of tbe present economic recession. Furthermore, the share price could well ease in tha meantime.

If, like me, you believe that RTZ is one of the hest long term natural resource investments and that its earnings and share price will eventually advance strongly, the loan stock will allow you to sleep at oights in the meantime and still get a reasonable return on your money.

If all goes well your eventual conversion purchase of RTZ shares st the equivalent of 500p should come at a time when the price of the shares in the market is a good deal higher. So for the small investor looking to the long term and seeking capital gain at minimum risk the loan atock offer is an opportunity not to be missed. The lsst date for acceptance is Octoher 13.

That is why it is expected tn gn to a premium price of shout 110p per £1 stock when dealings start on September 23. Holders not wiahing to take up their rights to the issue will, of cnurse, he able to sell them, although at tha suggested 10p premium price for the loan stock thia will not amount to mucb for the small holder; our man witb 200 RTZ sbares would only get some £10 — before expenses.

RTZ is by no means bard up—present resources are fully adequste to take up the parent's entitlement in the CRA rights issue, for example—but with the share price riding high this is seen as a good time to raise fresh funds and the group has its eyes on new lnvestment opportunities in energy resources.

Meanwhile, earnings for the first half of this year have risen hy 46 per cent to £89.7m, or 35.57p per share, msinly as a result of increased profits from Hamersley lron ore, Palabora copper and Rossing uranium.

The interim dividend has been ralsed by 1p to 5.5p and RTZ says that the final should not be less than last year's 10.5p which supports the general view that second half earnings may not he as good as those for the first half.

Smiles all round have followed the undenisbly excellent results of Consolidated Gold Fields for the full year to June 30. In this case net profits have advanced 60 per cent to a record £89.9m, or 60.5p per sbare, and shareholders are to receive a final dividend of 15p which will make a yesr's total of 22.5p compared with 13.5p for the previous year.

The share market greeted the news this week by marking up the shares to 615p at one time: about the same price which was paid in the controversial dawn raid in February whicb netted De Beers and Anglo American Corporation a 25 per cent stake in Gold Fields.

Everybody expected good results from Gold Fields in view of the fact that ahout balf the group's net profits are provided by South Africa's booming gold lndustry. But the ioteresting thing is that the other interests snch as construction materials, mineral sands and base metals bava also done very well.

What of the current year's prospeots? The group seems better placed than other mining finance houses to weather the recession thanks to its gold revenue, the outlook for whicb seems favourable, while Tasmanian tin should continue to be a money-spinner. In fact tbe chairman, Lord Erroll, could he optimistic at the meeting at the Dorchester Hotel on November 12.

Gold shares had one of their best days ever this week whan a general demand caught the market short nf stock snd share prices responded accordingly, lifting the gold mines index to a new peak. The hullion price, however, hes remained firm, but has not provided any special excitement.

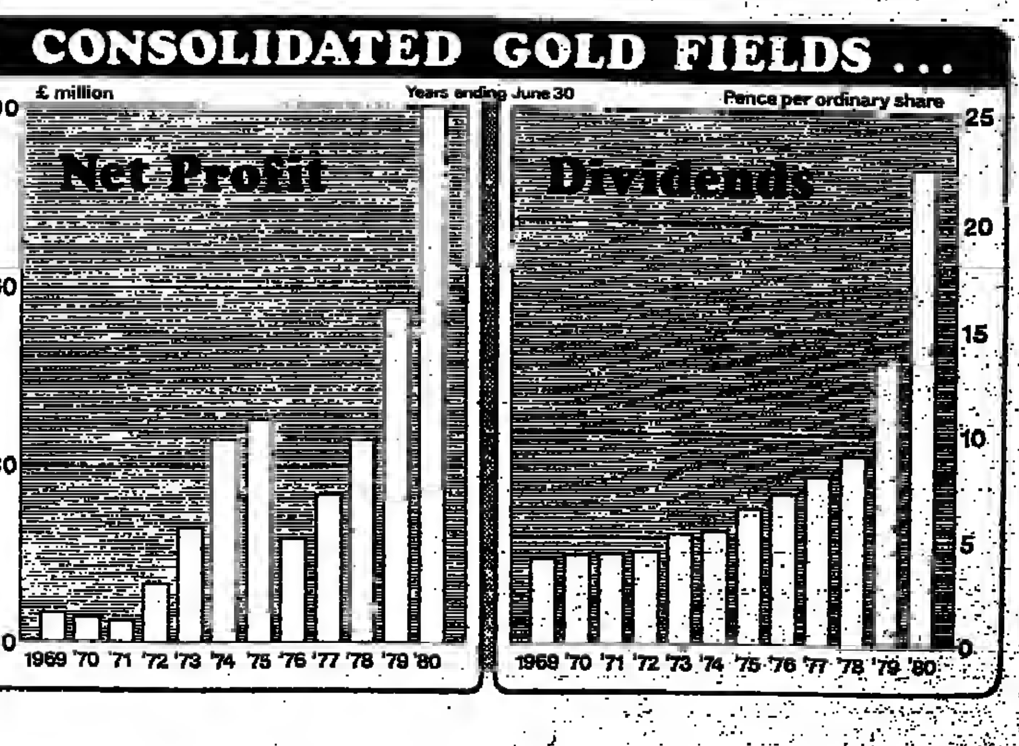
There is a general feeling of confidence about the outlook for bullion and this is shared by stockbrokers Laing and Cruickshank who have been courageous enough to put forward their vlew of prospects for as far ahead as 1984. While others bave been talking of "sky's the limit" prices, the brokers take a mucb cooler line and anticipate an era of much greater price stability.

They look for an average level of sround $670 per troy ounce for the rest of this year with pricea moving within a range of about $50 on either side. Over the next five years they feel that the effective re-monetisation of gold that has taken place, notably in its role in the European Monetary Fund, will mean that central banks will he concerned to take action to avoid wild price swings.

Leaving aside political eruptions, we are still waiting to see what will happen to the price when the jewellery industry, which took soma 57 per cent of Western supplies in 1978, decldes at last to re-stock. Then, too, there is the mystary of Soviet gold sales to tha West which so far this year appear to have dwindled to a mere trickle, about five tonnes compared with a total of 214 tonnes in 1979 and 401 tonnes in 1978.

Perhaps, like the South Africans, the Russians have less need to generate foreign exchange. They may also be holding out fnr higher prices. But the intriguing thaory now heing voiced is that the Russians who apparently favour a role for gold in the Enropean monetary system may he prepared to collaborate with the South Africans in controlling supplies to maintain stable prices at what are regarded as the right levels.

Now that, despite the efforts of Washington, the metal hss at last been welcomed out of the cold and dressed in respectable garb, gold has to accept the degree of responsibility that goes with it and not act like the yo-yo price of a penny exploration stock. The stability theory of Laing and Cruickshank may bave an unsuspected supporter in the shape of the Soviet Union. We shall just have to wait and see.



The GKN shock . . . and how the company will fight back

"WE ARE surrounded hy customers in difficulties. We cannot create the markets for ourselves in the UK. We just have to sit this one out."

So says Mr. Trevor Holdsworth, cbairman of Britain's biggest engineering group, Guest Keen and Nettlefolds, which on Thursday shocked the stock market by slasbing its interim dividend.

Mr. Trevor Holdsworth

GKN confessed that profits in Britain hsve heen wiped out, and altbough overseas earnlngs have held up well, the group's overall pre-tax profits are likely to tumble this year from £101.4m to uoder £40m.

Mr. Holdsworth admits that the extent and speed of the recession took the group somewbat by surprise. He argues tbat the steel atrike masked the severity of the industrial downturn, with customers taking precautions and stocking up with steel-containing goods during the winter.

GKN haa estimated that the direct cost of the strike was about £18m, but the group now reckons thst in the absence nf the steel dispute demand would bave been mucb lower. Certainly demand collapsed when the strike was called off.

"Tbe strength nf tbe pound has not helped," Mr. Holdsworth adds, "hut it is not to be overstressed. If the markets are not there—and lncreasingly that is the case overseas as well as in the UK—we cannot do much."

However, GKN is not reacting entirely passively. A fresb wave of cutbacks and closures this year will trim 10,000 nff tha group's January 1 payroll of some 69,000. Soma 8,000 of these jobs bave already been shed.

"We are still working very hard at reducing the less profitahle operations," says Mr. Paddy Custis, finance director. He is also keeping a very close eye on the group's £100m capital spending hudgets. "We may well start to cut that hack depending on what happens in the next few months," he comments.

So far tight finsncial controls have kept the rise in GKN's debt to modest proportions. Borrowings were 46 per cent of sbareholders' funds in June, no higher than ln December, but in the remainder of tbe year the ratio will rise to 5[illegible] per cent or more.

The bulk of the cost of the group's rationalisation measures will fall in the secood six months. Redundancy costs of at least £9m will be cbarged against profits, and termination costs of approximately £20m will be cbarged as extraordinary items in the accounts.

Tbe effect of the redundaocy costs will certainly be to push the UK activities of GKN well into the red during July-December. So altbough the overseas nperations are likely to maintain their earnings reasonably well, second-balf group profits will be significantly lower than in January-June, the interim statement wsrned.

GKN's overseas performance has remained good partly because the recession is not so acute abroad, and partly because the group is resping benafits from its strength ln constant velncity joints and other transmisaion components.

The swing to front-wheel drive cars has boosted the demand for such products, and tbe recent replacement nf Ford's rear-drive Escort model hy a front-drive successor shows that the trend has further to go.

GKN has amhitious plans, which are now coming to fruition, to carve out a slice of the U.S. market for constant velocity joints now that tha U.S. car giants ara turning to small, fuel-efficient front-drive models for their domestic market.

The Sanford, North Carolina, plant has now begun production and should contrihute to profits next year. A aecond and larger facility in Alamance County will be cemmissioned early next summer.

But in the meantime GKN has to grapple with its problems at bome. The Midlands was buzzing this week with storias of still further cutbacks ln original equipment schadules by car sssemblers like BL and Vauxhall.

"The destocking cycle will continue into the first half of next yesr, at which stage we might be able to make an assessment of where we are," Mr. Holdsworth says. "It will be March befnre we look at the final dividend."

Mr. Custia adds: "We are ln as good a shape as we can be lo batten the hatches down."

Certainly the share price is looking storm-tossed. It crashed by 30p or some 13 per cent on Thursday's newa, and was weak again yesterday.

Barry Riley

FINANCE AND THE FAMILY

No dealer in shares

BY OUR LEGAL STAFF

I am retired (over 64), am within the standard tax band (*just*) and am an active investor nn the Stock Exchange. At what stage, if any, am I liable to be classified as "in the business of dealing in shares for tax purposes"?

The possibility of your being assessed to income tax (under case I of schedule D) is extremely remote. So long as you take delivery of stocks and shares in a significant proportion of yonr transactions, you really have nothing to worry about.

You sbonld, of eourse, bear *in mind* the bondwashing provisions (in section 30 of the Income and Corporation Taxes Act 1970, as amended) and other legislation aimed at tax avoidance.

Interest in Irish company

I recently bought some loan stock of an Irish company, and have just been paid my first interest. Can I claim back the tax which has been taken off in Ireland? Shall I have to pay some UK income tax on this interest?

The Irish tax is repayable, under article 12 of the Ireland-UK donble taxation convention of June 2, 1976. The necessary claim form is obtainable from the Inland Revenue Foreign Dividends Office, Lynwood Road, Thames Ditton, Surrey, KT7 0DP.

The Irish interest is fully taxable in the UK. All UK tax assessmenta on Irish income are on the current-year basis (unlike assessments on untaxed income arising elsewhere overseas or in the UK).

Determination of a trust

Under the will of a person whn died in England in 1935, there were a series of life interests in the residue of his estate, after which it paased to my father's four children in equal shares absolntely. *After the death of the last* surviving life tenant the estate was duly liquidated and distribnted by the trustees to the fonr remaindermen, with the exception of a piece of freebold property in England which was snbjeet to a lease. *Would there be a liability to* capital transfer tax? If the trustees refnsed to wind up the estate, conld I demand it? If or when the property is sold, what would be my position with regard to the capital gain which would arise on the sale price, which wonld exeeed the final prohate value on the death of the final life tenant some ten years ago?

You can demand tbat the trust be determined and the asset sold so as to enable each of the four heoeficiaries to take his capital share. We think that capital transfer tax would be payable on a realisation and distribution. Capital galns tax is chargeable assessed as at the date of the death of the last life tenant, but (in your ease as being non-resident) not on any subsequent increase in value.

A London party wall

When we brought our London mews house, we and the other owners were not informed of a *grant of a right nf way* by the developers in 1961 through onr eourtyard tn a prospective garage for the owners of the house at the back, provided the garage was built within 20 years. This involves demolition of part of the courtyard wall. We all object *to this. Is there any way* nf stopping it?

The easement should appear on the title (Charges Register) of the courtyard. We can see no basis for preventing the proposed work, although it may he that the wall is a party wall and you may thus have some control by reason of the need to have a party wall award under the London Building Acts (Amendment) Act 1939.

Adverse possession

When my honse was built, the builder left a strip between my front boundary and the road surface, in case the Council adopted the road and put in a pavement there. I have taken over the strip and included it in my garden for over 12 years. Can I nnw *claim* it as mine?

The strip will have heen acquired hy your adverse possession over 12 years even if it was not in your original paper title, provided that the inclusion within your garden was made apparent e.g. by fencing it off.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Tax relief for mortgage

I have moved from Northern Irelsnd to a job in South Africa hnt have not sold my home there. The Inland Revenue have assessed net ineome from my property before dedncuon of mortgage repayments. I nnderstand that I may he eligible for mortgage interest relief. See IL11 (supp) (1977) 9A—Temporary ahsences from mortgaged property. Should I fall into this category and decide to continue renting by Northern Ireland property beyond four years, *would I be liable retrnspectively* for relief previously granted? I note that under "Schedule D, Case VI, I can claim an appropriate allowance for renewal or for wear and tear of furniture." see leaflet IR27, 1976, page five, paragraph 20—"Furnished *Lettings*." Can yon give me some guidelines as to what is considered appropriate? One last point, shonld we decide to remain in South Africa and sell onr home in Northern Ireland, will we he liable for capital gains tax?

From what you say, you are entitled to relief under paragraph 15 of the hooklet IR11. That being so, you need not worry about the four-year limit for concessiooary relief under paragraph 9A.

Your copy of *hooklet IR27* is out of date. The revised version of paragraph 20 is not so vague: "Furnished lettings — 20. Income from letting funished accommodation where the landlord does not carry on a trade connected with the letting will normally he assessed under Case VI, witbout a separate Schedule A assessment on the part representing rent: that is, without distinguishing the amount attributable to the use nf the property from the amount attributable to the use of the furniture. In arriving at the Case VI assessment deductions would be allowed for expenses of maintenance, repairs, insurance and management, and for ratea, head rents and other periodical payments (other than mortgage interest or bond interest) for which the landlord is liable in respect of the premises which are let. An allowance of 10 per cent of rents received (less the occupier's rates where an inclusive rent is payable) may he claimed to cover wear and tear of furniture etc. as an alternative to the cost of renewal."

The answer to your final (substantive) question is no. On the assumption that you are regarded hy the Inland Revenue as neither resident nor ordioarily resident io the UK for the year in which the sale contract is signed, you will be *exempt from capital* gains tax.

When big is beautiful

TAXATION

DAVID WAINMAN

SMALL ACORNS into great oaks do grow. If the metapbor refers to entrepreneurs capitalising and nnrturing tneir small businesses into major elements in Britain'a revitalisation, then not only is small beautiful, but so is big.

We are told by governments (in the plural becanse insistence on this line did not start only in May, 1979) that no obstacles should stand in the way of the small businesman. Taxes have been alleviated so that in normal circumstances they should neither form an insuperable hindrance to the business's initial and continuing capitalisation, and nor should the burden faced by the owner, or transferor, of a successful business be heavy enough to make him hesitate about ever starting it.

Even if we notice only the tax cbanges in 1978 and subsequently, the list is long, and probably not unfamiliar. Capital transfer tax rates bave effectively been twice cut, and the reliefs for transfers of business assets made more generous.

Capital gains tax can now not only be more substantially reduced when a business is sold by an owner over the age of 60, but can be rolled over hy a donor on to the recipient wbere businesses, or any nther assets, are gifted.

Development land tax has heen generally reduced, and for at least ten years in each of the new Enterprise Zones there is to be no liability to the tax.

The threshold for VAT registration has been raised, again.

The basis of taxation of the entrepreneur's profits has also been changed in a number of ways. Three, in particular, have been widely welcomed as providing a degree of equlty and logic in a tax system too often criticised as lacking those attributes.

Expenses incurred in starting up a business can now be deducted, so long as the business does commence within a year. Secondly, those who trade as individuals or partners, rather than as companies, can boost their working capital by reclaiming tax paid on other income in the three years before their businesses started, if those businesses sbow initial tax losses.

First year allowances for purchases nf plant, and reliefs for the building of stocks, may normally be expected to prodnce such losses. *Thirdly*, the amounts which the self employed may now set aside for their pensions are no longer so laughably inadequate.

But if the Inland Revenue have at last revealed themselves in their new and sparkling guise, that of fairy godmothers to all nascent entrepreneurs, does this mean that the success of all sucb businesses is now assured? Is there not still some wicked witch uttering curses round the cradles? How else can we explain the presentiments of doom to be found in S.136 Capital Gains Tax Act 1979, and S. 37 Finance Act 1980?

The individual whose business founders, in a manner which is becoming all too painfully familiar, will certainly bave incurred losses immediately before ceasing to trade. There bas heen no recent change in the rules under *which* he is permitted to set those losses against other income; and sn far as concerns losses of the final 12 months not thus relieved against other income, he may set them hack egaiost income from the business in the three years of assessment preceding cessation.

S 136 and S 37 are not addressed to the foundered Individual trader himself, hut to those providing funds for trading purposes, where the purposes fail and the funds hecome irrecoverable. S 136 treats as a loss under the *capital gains rules* the amount of an irrecoverable loan to a *trader, whetber* incorporated or unincorporated.

S 37 brings within the income tax regime a loss sustained where shares have been subscribed for in an unlisted UK trading company, and that company is liquidated, or the shares otherwise become worthless or are sold.

If we look first at the capital loss relief for loans, we can note tbat it has been given as a second exception to the original rule that a debtor's *failure* to repay *only* gave the lender a capital loss if his loan had been a debenture or other similarly transferable security. The legislation also treats those who bave guaranteed loans, and whose guarantees are called, as if they had been the original lenders.

There are the expected anti-avoidance provisions to prevent the manufacturing of losses by husbands and wives lending money to each other, or loans between members of groups of companies, and also restricting the relief to those loans which the law regards as genuinely irrecoverable.

Only loans made, or guarantees given, after April 11, 1978, are covered, hut there appears to he little to prevent the repayment and/or renewal after that date of obligations originally entered into before it.

Turning tn the more recent provision granting income tax relief for losses sustained on investment in shares, we find tbat it is subject to a multitude of restrictions. One of these has *already* been mentioned, hut requires re-emphasis: only shares which have been subscrihed for count.

Where a holding of shares has been acquired partly in that way, but partly for instance hy purchase, disposals out of the mixed holding are matched with acquisitions on a last-in-first-out basis, and only the disposals of subscribed shares qualify for relief.

Among the other details worthy of note is the restricted possibility of obtaining relief where the shares eventually disposed of are not those originally subscribed for, but bave been received for those originals in a paper-for-paper exchange.

The relief will only be given if at *all stages the shares* beld have been those of qualifying trading companies. But wbere a payment bas heen made for new shares received on such an exchange, and which are themselves qualifying shares even though their predecessors were not, that payment can itself he regarded as a subscription.

Finally it must he stressed that S.37 requires that the company he not only unlisted, and a UK resident, but also that it has been for six years (or its life if less) a trading company or the holding company of a trading group. *No* other investment company qualifies, and nor *does* a company dealing in shares or land.

If at the time of disposal of its sharès the company concerned bas eeased trading, that disposal will only produce an income tax loss if it takes place within three years of cessation.

But why do our legislators weep and wail so lnudly over this forest of young oak trees, whose *uninterrupted growth* we and they sbould be so keen to see?

Time to look at the real worth of a home

INSURANCE

JOHN PHILIP

OVER THE past few weeks I bave had a number of *cnm*plaints about the index-linking of suma insured and, therefore, premiums under home hnilding policies—and many of them centre nn tbe age old argument about market value and rebuilding costs.

In many parts of the country, there are many more sellers than huyers. If this situation continues, the market values of many homes may get substanially out of step witb their total rebuilding costs—thnugh this is not likely to happen for some time for the owners of post-war homes, or even of many of those built in the 1920s and 1930s.

However it is clear that present economic eonditions have exacerbated the problem which has always existed where older *property* is concerned—particularly Victorian-Edwardian inner town houses, which may cost two or three times their market value to rebuild.

Why sbould home owners insure for the cost of rebuilding, when, in the unlikely event of a home heing substantially damaged or destroyed, an owner should be ahle to buy another similar one fur less money than the builders will want to reinstate?

The answer—which does not satisfy disgruntled policyholders—is that the substantial damage/total destruction claim is the rare exception, not the general rule. The vast majurity of home "buildings" claims—for fire, subsidence, impact, weather are relatively small, in spite of continually rising repair costs, on average, across all classes of damage and all kinds of property, still below £500 a time.

It is primarily against the real risk of such relatively small claims that we all pay our premiums—the chance of making a major total loss claim, is for all of us a minimal possihility.

Insurers, homebow, have to get sufficient premiums to pay fnr these claims: eacb householder has to make hia contribution to the fund, and if the premium rating yardstick of total reconstruction cost were to he replaced with tbat current market value, then the atandard rate of 15 per cent would have to he increased to hring into insurers' funds the amount of premium required, firstly for the vast hulk of home claims, and secondly for the few total lossea.

> More insurers are rating up homes in high crime areas . . .

A change of yardstick might involve redistribution of premium payments, but so long as house huildiog costs continue to move with ioflation, it is inescapahle that we sball all pay *mare* premium at *each* renewal for our buildings cover, whatever rating yardstick is used hy the insurers.

In providing home insurance cover, as with all other classes of business, insurers have regard to the hazards of the individual risk. In the bulk handling of tens of thousands of policies they strike hroad averages. On the building side they apply their standard rate to homes of "standard construction"—built of hrick or stone, with tiled or slate roofs.

Wooden homes, houses with thatched roofs and so nn are ebarged higher rates. In the contents field more and more insurers are rating up homes in high crime areas.

In *theory*, most policyholders accept this differential rating, and support the view that the greater risk should attract the larger premium, but when in practice insurers ask for a bigber rate of premium at renewal—as many are now doing as part of a geoeral review of conteots rates—the *cry* goes up "Why me?"

Insurers who analyse their household contents business by computer are sure that there is ample statistical justification for charging the resident in the Surrey stockbroker belt 50, 60 or eveo 75p per cent, according tn his *precise locatinn, in* contrast with their normal 30p per cent for contents cover in non-hazardous areas.

Anyone who asks "Why me?" has only to look at the crime reports in his local paper, and to have a word with bis local crime prevention officer, to get confirmation of insurers' statistical work.

Differential contents rating is now inescapahle—in some degree. *The individual policyholder*, faced witb a substantial increase in premium rate, may be able to find another insurer who is not at present imposing the same increase. While there is a general movement on differential rating, by no means all insurers are in step.

So the individual policyholder may be ahle to alleviate his premium increase this year, even next year—but sooner or later his new insurers *will* surely move prices upward. The *saving* is a short-term and must be balance against the loss of goodwill that long-term policy holders enjoy with longstanding insurers.

YOUR SAVINGS AND INVESTMENTS

Tim Dickson explains why some small investors face higher management charges in the next few months

A story of unit trust deeds . . .

HUNDREDS of thousands of unit trust investors will shortly be asked to approve management charge increases of the order of 50 per cent. Letters convening special meetings of unitholders, whose permission is required before the changes can be implemented, have either been sent out or will soon be on their way from many management groups.

Ostensibly, the carefully phrased missives will be suggesting nothing less controversial than the alteration, or perhaps the "updating" of an old unit trust deed. In effect, however, unit trust managers are demanding the sort of price rises which no investor would in other circumstances accept from his plumber, *milkman* or local delicatessen.

Unit trust management companies basically make their money in three separate ways. First they make an initial levy on new investors; secondly, they take an annual percentage of the value of total funds under their management; and finally, they deal (like jobbers) in their own units, buying them back from investors and hoping subsequently to sell them on to new customers at a profit.

This can pay off handsomely if in the interim the stock market (and therefore the underlying value of the unit) increases in value—the reverse, of course, can also be true.

Until last December the Government (through the Department of Trade) laid down rules which effectively restricted trusts' freedom in respect of the first two. Either they could charge 5 per cent initially plus ½ per cent annually, or 3¼ per cent initially and ¾ per cent annually.

Just before last Christmas these controls were scrapped, in theory leaving groups free to fix their own charges. In practice however, there were significant restraints.

Nobody, was particularly anxious to make the first move for fear of stepping out of line with competitors. And more *significantly new trust* deeds had to be drawn up vetted by an overworked Department of Trade, and finally presented to meetings of unitholders for approval.

The Stock Exchange: "A well managed Unit Trust should keep pace with inflation."

A review of some of the largest unit trust groups this week established that *many* are now ready to ask for higher charges. Variations exist from group to group but a general pattern is emerging.

- 5 per cent will soon be the standard initial charge. Permission from unitholders is not necessary though most companies are letting existing investors know first.
- Most groups are going for a ¾ per cent annual charge (a 50 per cent increase on the previous ½ per cent maximum) though *many* prospective trust deeds give managers the flexibility to raise this to a maximum one per cent at three months' notice.
- There is a tendency to charge more for overseas funds, which most claim are more expensive to run.
- Some managers are showing reluctance to up the ante in their poorer performing funds.

Hardly *surprising* perhaps, unit trusts have not been falling over themselves to tell the world at large of their plans. Indeed students of the ancient art of writing to unitholders have detected a certain coyness about getting straight to the point.

Under the heading "Reasons for the Revision," one letter *dwells on the doubtless important* need to "bring the trust deed into line with modern practice and requirements." The delicate matter of charges is dealt with under a separate heading.

Judging by the response from unitholders so far, managers have little to fear. Those who have taken the trouble to respond have already overwhelmingly approved *a number of* "revisions," often with majorities in favour of more than 90 per cent.

The *rule is* that meetings have to have a quorum of at least 50 per cent of the units (either present or by proxy). If this requirement is satisfied more than 75 per cent of those voting have to be in favour. Without a quorum the meeting has to be adjourned for three weeks, at which a simple majority of those interested is enough to carry the day.

When discussed in the context of ½ and ¾ per cent the charges do not perhaps seem particularly significant. Yet as building societies will testify, investors can be surprisingly interest rate sensitive and an extra ¼ or ½ per cent off some people's income can easily be felt.

Unit trust managers' main justification for the *increases* is that inflation has been rampant during the 20 years in which their charges were effectively frozen. The cost of postage, in particular, a big expense for all groups, has even outstripped other prices. Some people, however, might well counter that a well managed fund should keep pace with inflation and therefore preserve managers' remuneration in real terms.

Another point in the manager's favour is that the previous maximum ½ per cent annual charge encouraged groups to launch and market new funds simply to cream off the relatively generous front end load (i.e. initial charge). By raising the *annual* levy they will, so the theory goes, be able to devote more time and energy to getting the investment of their existing funds right.

Unitholders, anyhow, have the right to decide. While they *may feel that good managers* deserve the rewards, ill treated investors receiving begging letters over the next few months may not feel so charitable. Here is what some of the bigger groups are planning.

M and G. No. of funds: 20. Existing structure: 3¼ per cent initial, ½ per cent annual. Unusual among management companies since "at present" it is not planning increase in annual charge. Initial charge however, will in virtually every case be going up to 5 per cent. Existing unitholders will be informed by rotation as letters are sent out with annual, half yearly reports. Mr. Paddy Linaker, M and G's managing director, points out that the rise will help the group to pay more commission to insurance brokers.

Save and Prosper. No. of funds: 22. Existing structure a mixture of 5 and 3¼ per cent initial and ½ and ¾ annual. Subject to unitholders' approval, the idea is to raise the annual charge on four of the specialist funds (South East Asia, Japan, Energy Industries, Commodity Share) to ¾ per cent, though trust deeds will give the right to 1 per cent.

Barclays Unicorn. Total funds: 20. Existing structure: generally 5 per cent initial, ½ annual. So far three (Capital, General and Growth Accumulator) have been raised with the permission of unitholders to ¾ per cent. Two more (500 and Income) will go the same way if meetings soon to be held approve the increases. Others, notably Financial and Extra Income, will be receiving attention in due course.

Allied Hambro. Funds: 20. Existing structure: mixture of 5 and 3¼ per cent initial and ½ and ¾ per cent annual. "Within the next few weeks," says managing director Mr. Mark St. Giles, all the funds should have higher charges. Proposing ¾ per cent annual (deed will allow 1 per cent, but Allied Hambro *is promising not to take advantage for at least three years*) and 5 per cent initial. Aim to hold all the meetings on two *successive days next month.*

A policy for all seasons

EXPATRIATES

ERIC SHORT

MAJOR PROVIDENT associations in the past few years have made private medical insurance in the UK a thriving sector of the insurance industry. In turning their attention to medical insurance for the expatriate, however, they neglected some of the needs of their customers.

Now insurance brokers Glanvil Enthoven, now merged with Jardine Matheson, has just launched a policy that fills the gaps left by the associations at a price which is acceptable.

Most contracts offered to expatriates exclude routine dental examinations and maternity confinements in their otherwise comprehensive list. These exclusions are standard for UK medical insurance contracts and are acceptable since there is a viable NHS alternative service in the UK.

Overseas expatriates may well wish, for health reasons if nothing else, to have their teeth pulled out or their child born in a private hospital.

The Glanvill Enthoven policy, called The Expatriate Medical Expenses Insurance Scheme, not only provides the usual forms of cover to meet hospitalisation, treatment, surgeon's and other specialist fees and repatriation costs. It also includes cover for expenses incurred during pregnancy at childbirth, dental expenses and burial costs.

The other notable feature of the policy is that for most benefits the amount of cover provided is unlimited. This is especially important for expatriates in countries where medical costs are high, such as the U.S. and Hong Kong. There are, however, some restrictions on cover for pregnancy and dental treatment, since these can be expensive.

The expatriate, for instance, must have taken out the policy at least eight months before the birth in the case of pregnancy, while under dental treatment, straightforward fillings and extractions are fully covered, but only up to 50 per cent of the costs are paid for more sophisticated dental surgery.

The cost of the policy is a straight £200 a year, though the premium is likely to rise with inflation. This premium applies irrespective of where the expatriate lives. With its unlimited cover it looks cheap for the U.S. though possibly expensive for many other countries. There is also a reduced cover contract for £120 premium providing compensation for hospitalisation and repatriation only.

Glanvill Enthoven has had to go to Germany to find an underwriter for this plan—Europa Versicherungen of Cologne. The premium system could be revised, once the insurance company has experience of claims since policyholders in some countries will be subsidising policyholders in others. British United Provident Association and Private Patients Plan underwrite on a geographical location basis so it will pay expatriates to shop around.

The big drawback of this scheme is that the policy only covers one person. There is no *family contract.* So a separate policy is needed for husband, wife and each child costing £200 a time.

The plan is *available* to *any* expatriate of any nationality living in another country. It is also available to businessmen travelling abroad for any length of time, but not necessarily staying long in any one location.

As such the employer can take out the plan, but it has to be a separate policy for each employee. BUPA and PPP *operate group schemes* for expatriate employees. No doubt Glanvill Enthoven will modify the company arrangements in time. Premiums can be paid not only in sterling but in U.S. dollars, Deutschemarks or Swiss Francs.

The other major disadvantage of this plan is that when the expatriate returns to the UK cover only continues for four weeks. If the expatriate *falls* ill overseas and is repatriated back to the UK for treatment, there could be problems after the four weeks are over.

All applications for the Expatriate Medical Expenses and Sickness Scheme should be addressed to: *Glanvill Enthoven (Life, Pensions and Mortgages) Limited, 144 Leadenhall Street, London EC3P 3BJ. Telephone No: 01-283 4622. Telex No: 888097.*

YOUR SAVINGS AND INVESTMENTS

New financial backing for entrepreneurial executives was announced this week

Invest in yourself

BUY-OUTS

TIM DICKSON

NEW SUPPORT for key managers wishing to buy a stake in the business they run was announced in London this week. Seven major British investing institutions, including two groups of investment trusts, have formed a new company Candover Investments which will provide financial packages for individuals and management teams anxious to "go it alone."

Candover, whose chief executive is former EMI managing director Mr. Roger Brooke, expects to provide cash for three types of deal:

- Where large groups want to divest.
- Where shareholders of private companies want to sell all or part of their holdings.
- Where quoted companies are for some reason valued in the market consistently below their intrinsic worth.

Candover will be on the lookout for managers needing roughly £5m or more.

The idea is then to give managers the chance to buy a significant share of the equity at a price within their means, thereby building in a powerful incentive for commercial and financial success.

Candover, however, is not unique. Although management "buy outs" are more widespread in the U.S., a number of UK institutions already have expertise in this field.

The last five years have seen a growing demand for what are known as "management buy-outs." At the beginning of the 1970s corporate diversification was generally the name of the game, as many large companies acquired new interests, often unrelated to their basic business, with a view to securing a financial cushion when their more familiar markets turned down.

But the results have been far from satisfactory in many cases. And as the financial squeeze tightens on the corporate sector, a growing number of major companies are seeking to concentrate on their mainstream business, and selling off their peripheral activities.

Features of most "buy outs" are major capital restructuring, high gearing and some sort of board representation for the backer. Usually the financial institution puts up most of the cash (largely in loan capital) but takes a disproportionately small percentage of the equity.

The Industrial Commercial and Financial Corporation (ICFC), is probably the leader of the field at least at the small and medium ends of the market. Last year it arranged 49 deals involving £11.6m and the signs are that this total will be surpassed in 1980.

"In the present economic climate there are a lot of companies looking around for small relatively unprofitable subsidiaries which they can easily sell off for cash," Mr. Robert Smith, ICFC's business development manager, says. "For some reason, perhaps because of group management charges and group overheads, the big company can't make it pay. Freed from these restraints, however, the managers can usually do much better on their own."

ICFC always arranges deals where the management team owns more than 50 per cent of the shares. Commonly, for example, it will lend 80 per cent of the money and only take 30 per cent of the equity. Obviously, all backers like to feel that the managers have a firm commitment to the future of their business, though ICFC says that large amounts do not necessarily have to be found by individuals.

Mr. Smith quotes the case of one manager who put up £12,000, against ICFC's contribution of over £300,000. Occasionally, suppliers or customers can be persuaded to participate.

"The important question is whether the guy makes a success of the company, Mr. Smith says. Good relations between the divesting parent and its subsidiary, he emphasises, are also esential if the deal is to work.

IFCF wil consider any size of package (though about £40,000 tends to be the effective minimum). It hardly ever puts a man on the board, though a non-executive nominee can be appointed fi a particular weakness is apparent.

Barclays Bank, through its subsidiary Barclays Development Capital, has fixed up two "buy out" deals in the last year and is looking at a couple of others. Packages have to involve a minimum of total financial requirement of £250,000, and the management should normally hold the majority of the equity. Board representation for the bank is required.

"There are two major prerequisites for this type of deal," Barclays' Mr. Graham Williams points out. "The investor has got to be confident that the company will be able to service what can be a very considerable debt burden. Secondly, the managers have got to show some commitment."

At merchant bankers Charterhouse Japhet "management buy outs" are a relatively new field. The minimum sum considered is effectively £200,000 though Charterhouse will almost invariably insist on taking more than 50 per cent of the shares.

As a result the bank controls the board, although Mr. Edward Cox, a director of the group, says his representatives adopt a strictly "hands off" approach.

Gresham Trust has set up a number of "buy outs" for sums ranging between £250,000 and £300,000, though it will consider smaller deals. The company always takes a minority stake though it reserves the right to appoint non-executive directors.

Report from the front

THE BATTLE for your personal investment portfolio never lets up. With banks, building societies and the Government slogging it out in the high street, there are signs this weekend that stockbrokers are stepping up their efforts to pull in private investors.

Take, for example, Capel-Cure Myers, the firm which this time a year ago raised eyebrows in the City with a six-figure marketing campaign aimed at attracting more private clients. Celebrating the initial response to Money Care of £11m in new money to manage, Capel-Cure this week announced that it is planning to repeat its efforts early next year, stressing new services such as traded options and self administered pension funds.

Money Care, says Capel-Cure chairman Mr. Andrew Hugh Smith, covered its costs at a relatively early stage and shows that there are a substantial number of individuals looking for all round financial advice. The message to other stockbrokers is simple—there's still money to be made from private client business.

Coincidentally, or perhaps not, Hoare Govett, another major London firm, is putting the finishing touches to a similar campaign to be launched later this year. In doubt at the moment is just how much money the brokers are willing to spend.

Hoare's attack on the private client market will be spearheaded through its subsidiary Hoare Govett Unit Trust Advisory Services (UTAS), which manages about £5.6m of private client money through a wide variety of unit trusts.

STOCKBROKERS

TIM DICKSON

The idea will be to give UTAS, which has had its teething problems since being formed 18 months ago, its own corporate identity, at the same time drawing attention to Hoare Govett's other activities, such as tax, school fees, pensions and insurance planning. The firm has been busy building up experience

Hoare Govett will probably pitch its efforts somewhat upmarket from Capel-Cure, which accepts sums of £3,000 or more into its discretionary unit trust portfolio. Existing Hoare clients will be the firm's initial target, after which new pastures will be explored.

Other stockbrokers will claim that they are already providing an equally wide range of services to their existing clients and anyone who wishes to knock on their door. Many firms have quietly been building up their private client departments in the last couple of years, aware that whereas individuals tend to stick around through thick and thin, institutional clients come and go. Some brokers may justifiably be worried that if the Government does eventually reduce the public sector borrowing requirement some of the huge gilt edged departments will look distinctly over-weight.

Stockbrokers, as Capel-Cure pointed out a year ago, still have a stuffy image and it is no bad thing that one or two are moving down market to appeal more directly to investors. But they are not doing it for charity. From being very much a poor relation, private clients have become the stockbroker's best friend in the last year or two.

"Any scheme that would persuade them to quit early has got my vote."

When the music stops

POP STARS short of a lyric could well start singing the praises of the taxman. For the Inland Revenue, it appears, has added a new interpretation to the old saying "Life begins at 40."

Most people in this country are legally required to wait until 60 before they can enjoy the fruits of an occupational or a self employed pension scheme. Men have to wait until 65 for a state pension. But a number of special groups—among them footballers, pop stars, newscasters and certain types of psychiatrist — are officially allowed to retire early.

Certain aspects of these jobs —strained vocal chords, fading sex appeal, or the pressures of addressing millions of TV viewers every night, perhaps—have presumably convinced the Revenue that some people are not capable of lasting the whole course in their chosen callings.

Earlier this week a Jersey-based company, The European Services Group (ESG), which is associated to the giant music company EMI (now part of Thorn), announced details of a ne wscheme designed to take advantage of these rules.

The ESG Deferred Income Plan claims to offer both a tax efficient means of saving and a way of providing for such "premature" retirement. To qualify for the scheme, of course, you need to be a proper "pop star," not just a run-of-the-mill "conventional artiste" who like the rest of us is expected to keep going till 60. Furthermore, in order to make the plan work, the lucky star has to find a willing employer.

The Deferred Income Plan is no more than a somewhat esoteric group pension arrangement.

ESG gives the example of a pop star who hits the big time at 25 with earnings of £100,000 per annum, increasing at a rate of 10 per cent per annum until year 10 and then decreasing at a rate of 10 per cent in his twilight years before retirement.

For net contributions after tax relief of £127,271 over the period, the individual can look forward to commuting a tax free lump sum at age 40 of £137,056 and receiving an annual income for life of £51,777. If such riches perchance lead to an early and ignominious end, his widow will still be £34,518 better off. A lump sum of £400,000 covers death in service before retirement.

Pop stars, however, are not alone in enjoying the privilege of early retirement. Anybody, in fact, who feels he or she has a strong enough case can appeal to the Superannuation Funds Office of the Inland Revenue for special treatment.

According to Midlands-based insurance brokers Pointon York, much depends on whether you join an occupational or self employed pension scheme. Footballers in an occupational scheme, for instance, can take the benefits of a pension when they hang up their boots at 35, but if self employed, they have to wait till 50.

It is worth remembering that the Inland Revenue has become more relaxed recently about allowing early retirement in special cases.

Other groups which already have agreements if self employed include air pilots (55), croupiers (50), distant water trawler skippers (55), free swimming divers (55), inshore fishermen (55), jockeys (50), moneybroking dealers (55), motor racing drivers (50), newscasters (ITV) (50), professional boxers and professional dancers (50), wrestlers (50), and psychiatrists who are also "maximum part-time specialists employed within the National Health Service" solely in the treatment of mentally disordered patients (55).

Tim Dickson

Switching and with-profits

PENSIONS

ERIC SHORT

A FEW weeks ago, we compared the investment performance of conventional with-profit and unit-linked pension contracts for the self-employed, based on the annual survey by the magazine Money Management.

This provoked two responses from readers. One group stated that the virtues of unit-linked contracts were not sufficiently emphasised, while the other condemned unit-linked out of hand as being far too speculative.

The second response highlights the feelings of many self-employed. While prepared to take risks in their business ventures, they are not prepared to do so with their pension. For them, investment guarantees are all important.

Abbey Life has met this need by offering a very sophisticated form of guarantee on its contract. Under the plan, the company guarantees the interest earned each year on the the original investment and the return of capital at the pension age — the rate of interest guaranteed depending on current market conditions and the age of the investor. Each year the guaranteed interest paid — plus the next premium due can be invested in a further guarantee at the ruling rates for the new term.

In spite of its complications, Abbey has found this guarantee to be very popular with investors, especially in times of high interest rates. The self-employed can switch into any other linked fund if so desired

Even so, this guaranteed plan from Abbey has two disadvantages. The guaranteed rates lack stability in that the investor does not know that the rate will be next year. And to match the guarantee Abbey has to invest in corresponding gilt holdings—with little room to invest in equities and property.

These disadvantages can be overcome if the self-employed can be offered the alternative of investing in unit-linked or a with-profits contract and can switch between the two plans. A with-profits scheme has a high level of guarantee including one on reinvested income while the underlying investments can be spread across equities and property, as well as gilts.

Such a scheme came this week from the Sun Life group with the Personal Pension Plan launched by Sun Life Unit Assurance. Here the investor cannot only switch between the unit-linked funds including switching into the money fund, but can switch into the with profits contract.

The big weakness of unit-linked pension plans is that investors have to get their timing right in starting to draw their pension. If the unit price is depressed when the pension becomes due, the self-employed gets a lower pension. This happened to those who retired during 1974 and early 1975 and has left a scar that will take some time to heal.

The solution put forward by the unit-linked life companies is to switch into a money fund as retirement approaches. This protects the investor against a fall in the market but denies him the benefit of a rise in market values.

Also if short term interest rates tumble just after he has made the switch, his growth over the final period ahead of retirement is limited. Switching to a with-profits contract in the years ahead of retirement offer investors the opportunity through maintained and rising bonus rates to protection against falling market values and some benefit from rising prices.

Switching from unit-linked to with-profits is straightforward—the bid value of the units buys a single premium with-profit contract. The terms are slightly better than a straight purchase because expenses are less.

Sun Life is not paying any commission on switching. Going the other way from with-profits to unit-linked is more tricky, since life company actuaries do not have a reputation for allocationg generous surrender values.

Sun Life will, however, not be switching the surrender value, since these contracts cannot be surrendered, but rather the actual reserve value calculated on a more generous than normal basis.

UNIT TRUST AND INSURANCE OFFERS

BOOKS

Logan's Quaker folk

BY PETER QUENNELL

Remarkable Relations: The Story of the Pearsall Smith Family
by Barbara Strachey. Victor Gollancz £9.95, 351 pages

As we know from Henry James's early novels and from many other sources, high thinking, plain living and passionate religious feeling were particularly characteristic of American civilisation during the second half of the 19th century. Take, for instance, an orthodox Quaker couple, Robert and Hannah Pearsall Smith, resident at Philadelphia. Of her devout husband Hannah once observed that "he says he never passes five minutes without considering what will be the right and most improving way of spending it"; and she herself, though a little less orthodox—she had refused to wear the Quaker "Sugarscoop Bonnet"— was equally righteous and determined.

Both of them were ardent, impulsive characters; and, when they found that taciturn Quaker worship did not afford them all the emotional relief they needed, they presently began to attend the ecstatic "Holiness Meetings" of the Methodists, at which Hannah shed "floods of delicious tears" and enjoyed some of the happiest moments of her whole existence. Robert's emotions were no less blissful; but unfortunately he failed to distinguish between spiritual bliss and its physical equivalent, and often translated the union of Christ and the soul into terms of human love-making.

Gossip spread, until Hannah grew alarmed and felt obliged to warn him against "the petting of thy kind young deaconesses," the favourite disciples he collected; and, on a visit to England, the exciting doctrines he preached and his amorous behaviour towards a certain Miss Hattie Hamilton, author of *How to Enter into Rest*, were publicly denounced by his worried brethren as "most unscriptural and dangerous." Hannah bravely defended him, "even (she wrote) if the unsanctified part of *thee has* got the better of thee." But he was now a fallen prophet; and, when his daughter Mary married Frank Costelloe, a promising Anglo-Irish barrister, and Hannah, in 1888, moved her family across the ocean, he willingly accepted exile.

Despite Robert's fall, and the fact that he eventually consoled himself with a "polished female friend," Hannah did not lose her zest, and remained an energetic philanthropist — she was especially fond of championing distressed wives — and a puissant matriarchal figure. Though she abhorred the commerce of the sexes, and had gone so far as to suggest that every man should be castrated — "It is the only effectual remedy I know" — she had borne her husband five children, of whom three were notably accomplished: the erudite men of letters Logan Pearsall Smith and his younger and older sisters, Mary and Alys, who also left their mark upon the English world. Their photographs, which decorate the dust-cover of this book, show that neither was a beauty. "They are real *columns*, those legs!" Alys heard an admiring Italian say, while he watched her bicycle past him; and Barbara Strachey, the family's excellent biographer, explains that Hannah and both her best-known daughters had legs of much the same kind — "great Cretan pillars sloping straight down from thigh to heel." Each, however, possessed charm and vivacity and was evidently attractive. In 1894 Alys married Bertrand Russell, then an innocent and inexperienced young man; and Mary, already married, fell in love with Bernhard Berenson, still an ambitious Jewish art-student, and wedded him after Frank Costelloe's death.

Remarkable Relations is a highly interesting and entertaining survey. The Pearsall Smiths themselves are a good subject; and, since they were eventually connected by marriage to the Stracheys and the Stephens, they played a significant part in the long Bloomsburian saga. The story includes some vivid glimpses of the Strachey clan at their huge and hideous London house. Mary's daughter, Ray Costelloe, who was to marry Lytton's younger brother, Oliver, thus describes an early visit:

> Lady Strachey was sitting by the fire warming her stockinged feet and reading the last novel by Stevenson. She hardly looked up from her book to greet me . . . She just said, "Well, Ray, there you are" . . . It was the same when the two boys, James and Lytton, came in to dinner. They scarcely noticed me, but went on talking of their own affairs while . . . Lady Strachey propped her book against the tumbler and went on reading.

Later, Ray struck up a warm friendship with Virginia Stephen, Vanessa Bell, their brother Adrian and Duncan Grant. They had sat, she reported, "in anything but gloomy silence; in fact we talked continuously of diseases and shipwrecks and other such frivolous topics. Then we somehow fell to making noises at the dog, and this awe-inspiring company might have been seen leaping from chair to chair uttering wild growls and shrieks of laughter." "It is a very fascinating, queer, self-absorbed, fantastic set of people," Ray concluded, having stayed with Virginia in the country. She and her new friends, it is true, had many of the same qualities — high-mindedness, energy, courage and an intensely serious approach to life; but a soirée arranged by Duncan Grant proved distinctly puzzling and exhausting. Her host, she found, had "buttercups in his hair, with a generous display of Jaeger vest" under yellow cotton robes; and "the company settled on the floor . . . sustained a weary and wandering discussion on the relative values of belief in true and false propositions, till 2.15," when they sleepily dispersed.

Barbara Strachey's book covers a wide field and chronicles a lengthy series of domestic dramas. Alys's marriage threatened to break down because "Bertie" had become infatuated with Lady Ottoline Morrell — a development that deeply pained Logan, as, at an earlier period, he had lost his heart to Lady Ottoline's handsome husband Philip. Mary, now married to Bernhard Berenson, became the sovereign mistress of I Tatti so well portrayed by Kenneth Clark, and took to agnosticism and intellectual free love. Hannah, whom her daughters revered but her sons-in-law detested, went calmly and masterfully on until the age of 79. She bade the world a typical farewell. "I am not at all depressed," she announced while she was recovering from a preliminary stroke, "but rather cheered by the prospect of paralysis;" and, when Logan admitted that he did not believe that her illness was anything worse than indigestion, "Thee's not very *encouraging*, Logan" she fiercely retorted in her traditional Quaker parlance.

Crimes coming home

BY WILLIAM WEAVER

The Poisoned Orchard by Ursula Curtiss. Macmillan, £5.50, 185 pages

Sarah is beautiful, competent, intelligent. Beside her, Fen—her cousin Frances, who has been brought up with her —might have seemed drab and awkward; but even in childhood, the ugly stepsister developed a successful defence. She became a clown and, willy-nilly, Sarah was turned into her straight man. The beauty was nullified, made boring. But Fen was more, and worse than clever. Having won Sarah's fiancé away from her, the kooky Fen began to betray a sinister aspect. Ursula Curtiss fashions a successfully venomous character, but Sarah—in her reluctance to give credence to the full horror—is also convincing as well as appealing. The deftly put together story unfolds against a suitably everyday background of house-cleaning and cooking and telephone calls. The quotidian setting makes the evil all the more gripping.

The Whispering Knights by Gladys Mitchell. Michael Joseph, £5.95, 183 pages

Fans of Gladys Mitchell—and they are numerous—will not want to miss this latest in the long series of adventures of the psychiatrist - sleuth Dame Beatrice Lestrange Bradley and her secretary Laura Gavin, with whom she trades literary references, as usual. The fact is, however, that this is a rather perfunctory performance. The exotic settings —prehistoric stone circles and chambered tombs — outshine the characters. The story is recounted with a great deal of to-ing and fro-ing; and there is evidence of haste not only in the plotting but also in the repetitious prose.

One of the drawings from "Henry Moore's Sheep Sketchbook" with comments by Henry Moore and Kenneth Clark (Thames and Hudson £8.50). The artist began drawing sheep in 1972 when his studio at Much Hadham was filled with *preparations* for his Florence retrospective and he has been counting them ever since.

Fiction

Himalayan heights scaled

BY MARTIN SEYMOUR-SMITH

The Heights of Rimring
by Duff Hart-Davis · Cape, £5.95, 332 pages

Missing Person
by Patrick Modiano. Translated from the French by Daniel Weissbort. Cape, £5.95. 159 pages

Imago Bird
by Nicholas Mosley. Secker & Warburg, £5.95. 185 pages

Who's On First?
by William F. Buckley, Jr. Allen Lane, £5.95. 276 pages

Duff Hart-Davis's new adventure novel, *The Heights of Rimring*—Rimring is an isolated monastery in the Himalayas where lies an American General with a broken back and a priceless document—is his best and most authoritative yet. It is in the finest tradition of British adventure writing: unpretentious, impeccable in its background detail (the author knows the Himalayas), topically relevant without undue straining for realism, and, above all, extremely well characterised. It is a relief to turn to this, and away from the more ambitious and obscure and, alas, lauded efforts of other thriller writers. I find this more intelligent than any of the novels of John Le Carré or Len Deighton —because, I think, the author understands the limitations of this sort of fiction.

Hart-Davis's hero, called out from retirement to undertake an exhausting and dangerous mission, is a lucidly credible figure. The physical descriptions of his journeys and his reactions to them are excellently done—indeed, with a classic vividness worthy of Buchan—and reflect his psychological state with great skill. The magnificent landscape in which the drama is played out is given its full significance.

This isn't the kind of book whose plot a reviewer should give away, since that plot is an integral part of it. It is about espionage, but much more importantly it is about the mind and heart of a man engaged in espionage. This is an outstanding contribution to its genre, written with intelligence and verve.

Patrick Modiano's *Missing Person* won the 1978 Prix Goncourt. Set in the Paris of the 1930s and 1940s, it is an attempt to cross the arid and now jaded modernism of Robbe-Grillet with the never-fading vividness and psychological exactitude of Simenon. But the debt to Simenon remains unpaid; that to Robbe-Grillet is all too stiflingly obvious — and over-paid with added bonuses.

Its subject is a man's quest for his own identity—one he lost during the days of the German occupation of Paris. He has been—it is scarcely credible in view of Robbe-Grillet's *The Erasers*—a private detective.

Hackneyed though the subject is, it could still be fruitful in the hands of a writer who had anything to say. This writer seems more intent on dealing with the question of whether identity exists. . . . It would, I must emphasise, take a real *story* to make any meaningful statement about this. *Missing Person* reads to me like a hotch-potch of Simenon pastiche written in a thin mist. Why it was thought deserving of a prize astonishes me. Whenever it seems as though the narrative might become interesting, Modiano lapses into a self-consciously mannered "modernist" prose, which is supposed to be exquisitely subtle but which is in fact exquisitely boring.

Other novels by this author have been better, though not in my view outstanding; this one is a sad failure. If only, like Duff Hart-Davis, he had sat down to write an "ordinary" thriller. . . .

Nicholas Mosley has at least the distinction of being one of Great Britain's best known and most stubborn experimentalists. His integrity shines through his work like a beacon on a dark night. And, for the most part, it is a dark night: few if any readers know what he is on about. That *Imago Bird* is the "first of a planned series of six interlocking novels" must fill not only ourselves but surely the publishers with some dismay. Alas, Mosley, although intelligent and serious (earnest is perhaps the better word), has no sense of humour. He reminds one of that admirable composer some of whose works last three days and nights, with no breaks for eating or sleeping.

That said, tribute must be paid to the author's intentions. This novel is about an 18-year-old whose uncle was Prime Minister. He is going to a psychoanalyst called Anders who is helping him to try to distinguish what is serious from what is not (are Anders's bills serious, I am tempted to ask).

All the characters in the book seem to be *either* mad or extremely neurotic; there are Trotskyites, pop singers, television celebrities, establishment figures, and so forth. They *all* seemed to me to be incredibly tedious, and while I could appreciate the author's knowledge of probably every technique that ever existed to help the neurotic and insane I could not help feeling that he was himself somewhat confused by the desperately boring characters he has created. I feel deeply ashamed about having this reaction, for I was among those who praised Mosley's earliest novels. But there is real, golden earnestness here, and great intelligence: I think this author should be tried out, since others may feel quite differently.

William F. Buckley's new thriller is set in the 1950s, and posits a situation that did not in fact exist. At one point Jean-Paul Sartre not only denounces the Communists but cancels his membership of the Party. Clearly fiction, then, for of course he was never a member of the Party.

The starting-point is the Russian invasion of Budapest. From then we depart from history, although sometimes veering quite closely to it again. I do not think the author shows much wisdom or knowledge about what was happening in the 1950s, though few will quarrel with his evident hatred of the Russian Government. But as an exciting thriller *Who's On First?* fulfils its function admirably—and many will enjoy the fashionable veneer of cynical sophistication with which the author covers his passionate if not very precise political notions.

On with the new

BY REX WINSBURY

Goodbye Gutenberg
by Anthony Smith. Oxford, £8.50, 367 pages

On the contrary, it's Hello Gutenberg, who would have been the first to recognise and exploit the new electronic media for text and information distribution that are at the heart of Anthony Smith's searching arguments about the next phase of newspaper development. It was a historical accident that paper was what was available to Gutenberg to distribute the words he created in type, and it is by the same historical accident that printing is now firmly but erroneously identified with printing on paper.

But the truth is that there is no necessary connection between the two, and the spread of other means of text display, for example on video screens via computer networks and telephone lines, is more properly to be seen, not as a rival or substitution, but as a natural evolution and extension of traditional methods. If there is a rivalry, it lies in the minds of men who have created institutional structures and attitudes that are too rigid to cope easily with such changes.

If I make much of a catchy but (in my view) misleading title, it is to emphasise the otherwise first-class discussion that this book contains of the phenomenon of the newspaper and its past and likely future.

Based mostly upon the experience of the American newspaper industry, and therefore to be approached with some "aiming off" by British readers, the book provides an excellent analysis of the relative virtues of the so-called "new media" in relation to the old, and of the sort of adjustments that they may force *upon the newspaper format*.

Prudently postponing the real impact of such systems as viewdata and videotex until the 1990s, rather than the 1980s, but recognising that the impact then may be substantial, Smith correctly points out that the style of these screen-based systems is in many ways the antithesis of the newspaper. Newspapers seek to aggregate readers by bundling together many different topics and interests within one set of covers, whereas the new electronic media enable the user to be selective, to choose his own time of "delivery," and to ignore that vast and growing mass of information that is not directly relevant to him or herself.

Where the new media, in my opinion, will have the most impact, is by breaking down the existing industrial structure of the publishing industry, by opening up the field to new entrants and new challengers, many of whom may be powerful companies in other but related fields, and by bringing on to the scene new trade unions as well as new sources of funds and new ethical and editorial rules.

Thus new technology will recreate the competition within the newspaper industry which was largely lost during the massive wave of closures and mergers of the 1950s and 1960s that created the local monopolies now characteristic of most cities in the UK, U.S. and Western Europe. Some will see this as a classic economic rather than purely technological mechanism at work.

Smith has produced easily the best guidebook so far to the new publishing landscape, perhaps a bit over-sociological for the taste of many professional newspaper managers, but profound and provocative. Available only on paper.

Hitler yet again

BY ZARA STEINER

Hitler
by Norman Stone. Hodder and Stoughton £6.95, 195 pages

It was inevitable that there should be another book about Hitler. Like Napoleon, the German dictator continues to fascinate and elude writers and readers alike. The debate about his rise to power and triumph in a democratic, highly industrialised and intellectually sophisticated society will undoubtedly continue beyond our lifetimes.

It was to be expected, moreover, that with the passage of time a gap would develop between the image of the man known, experienced and remembered by his contemporaries and the figure who emerges from the archival reconstructions of post-war historians. Norman Stone has brilliantly illustrated the contrast between the "Nuremberg Hitler" and the Nazi leader and state portrayed by present-day historians. In a short book aimed at a broad readership, Mr. Stone has underlined many of the most startling but also some of the most interesting revisions of the past two decades. Those familiar with the work of Fest, Taylor, Irving, Klein, Milward and a younger scholar currently publishing, Richard Overy, will find themselves in familiar territory. The more general reader may have a number of surprises.

A great deal of what Norman Stone writes is based on solid evidence and argument though brevity and a certain wish to shock has led to some misreadings and debatable conclusions. Hitler lied about his own background: he was neither born poor nor was he ever a house painter. He and his ideology were surprisingly commonplace and banal. His party, which polled only 2.5 per cent of the vote in 1928, did become the largest party in the Weimar Republic in 1932. Mr. Stone is entirely right when he stresses Hitler's wide appeal and efforts to maintain this popularity. The Nazi state, like the Nazi party, was a ramshackle affair. Its competing ideologies, individuals and bureaucracies resulted in inefficiencies and conflicts far removed from the powerful totalitarian image projected abroad. The German economic revival was not due to expenditure on rearmament; it probably began before Hitler took power but was sustained and broadened through subsequent wide public spending and a revival in public confidence. Again, though Mr. Stone has left a great deal unsaid in this domain, no one today would argue that Hitler had "a blueprint for aggression." He was intent on expansion, which Mr. Stone admits, and he was planning for an all-out war which Mr. Stone denies.

Germany was not prepared for war in 1939 but both the political and economic evidence suggests that Hitler intended to have his European struggle. The Führer was poorly served by his lieutenants and his own disregard for economic planning meant that the Nazi rearmament programme was far less advanced than Hitler intended.

If Mr. Stone treats the war in the west and south in a somewhat summary manner, barely noting the many controversies these campaigns have engendered, he comes into his own when he turns to the war in the east. The chapter on Barbarossa, 1941, is the high-point of the book. Building on excellent secondary material and on his own intimate knowledge and interest in the struggles on the Eastern Front, Mr. Stone describes in some detail the story of the German advance and retreat, the quarrels between Hitler and his generals and the loss of flexibility after 1944. The author and the reader are equally engaged.

Despite Mr. Stone's detachment from his subject, irony and wry humour, his determination to reduce even the most shocking to manageable proportions, one cannot help but feel that he was ultimately relieved to leave his disagreeable subject. Once the tide of battle turns against Hitler, the story comes to a rapid close.

This is a challenging biography. It would have been a better book if Mr. Stone had not cut so many corners. There are errors, unnecessary over-simplifications, judgments intended to provoke rather than to enlighten. But if it had been a longer, more careful and more tentative account of the present state of Hitler scholarship, this biography would not have been the dramatic, provocative and popular study which Norman Stone intended to write.

Dhow trip

The Voyage of the Mir-El-Lah
by Lorenzo Ricciardi, photographs by Mirella Ricciardi. Collins, £7.95, 258 pages

The oil riches of the Middle East have virtually killed off the Arab dhow, one of the oldest sailing vessels known to man. The owners of dhows still trading often cut down the masts and rely solely on a modern engine, such is the plentiful supply of cheap fuel.

Lorenzo Ricciardi, determined to savour the romance of a vanishing era, bought his own dhow and sailed from the Shatt el Arab to his home in Kenya. He raised the money for the enterprise as only a romantic could, by gambling in a Swiss casino.

Unfortunately he seems to have relied on his Japanese engine a lot more than on the lateen sail. Consequently, engine breakdowns and fuel stops intrude a little too much into the romance of the voyage.

But his enthusiasm for the Mir-El-Lah and the world of dhows is infectious, as is his cheerfully irresponsible attitude to authority, which leads to brushes with the Irani secret police and a spell in a Yemeni prison.

Lorenzo Ricciardi's photographer wife Mirella, after whom the dhow was named, has provided many stunning pictures of their travels in both colour and monochrome. They outshine her husband's work.

DAVID BLACKWELL

WOMEN'S FASHION

FINANCIAL TIMES REPORT

Changed shopping habits and the pinch of recession have hit the fashion trade hard. The watchword is survival, but those who can adapt—by reacting quickly to new demands by cautious spenders—will be the most successful, as Lucia van der Post reports.

Facing up to the future

ONE FASHION manufacturer *to another: "How is business?"* "Quiet."

"Really? It is that good?"

The conversation may be apocryphal but it is no secret that these have not been easy times for the fashion industry. Ever since last year's late spring and bleak summer discouraged customers from buying lightweight summer fashions and the warm autumn prevented them from buying winter coats until the January sales, it seems to have been nothing but one hammer blow after another.

As if the weather, over which, heaven knows, not even the most astute manufacturer has any control, wasn't enough, the industry as a whole seemed to have lost any sense of what the woman in the street wanted to buy. En masse, women rejected *the narrow look, the* uncomfortably tight waists, the space-age shoulders, and the clothes rails in small shops, stores and boutiques up and down the country began to groan with unsold stock.

Under this tide of cumulative disaster profit margins everywhere have suffered and there have been several spectacular bankruptcies. Bus Stop, for long one of the most go-ahead and exciting chains of boutiques, went under about a year ago and then Wallis shops, yet another of the seemingly highly-successful small chains, had to be rescued by the giant Sears group.

One London firm of chartered accountants specialising in fashion *trade insolvency found* earlier this year that it was dealing with three times the number of bankruptcies compared with the year before. Small shops that previously had survived most difficult times because its customers were those who were traditionally somewhat insulated from the effects of recession — the middle-to-upper-class woman, the company executive's wife—found that they were losing up to 50 per cent of their bread-and-butter trade.

People became frightened of spending and it's no secret that no shop has been exempt — from Harrods to Marks and Spencer, from small boutiques to Woolworth, they've all been feeling the pinch.

And the sorry tale doesn't end with the retailers. All the way back along the chain, the button and ribbon makers, the textile mills, the larger manufacturing combines, all have suffered. Survival has become the name of the game and never mind the holidays in Bermuda.

Retailers

Nobody expects the recession to end very soon—apart from anything else with unemployment running at 7 per cent so many of the potential customers are short of spending money—and so most of the large stores and retailers specialising in fashion have already done some long, hard thinking about what they need to do not just to survive but, they hope, to increase their share of the shrinking cake. In the long run, painful though this is, almost everybody agrees that it has been long overdue. For almost everybody agrees that over the past few years when London was the *Mecca* of most free-spending tourists, it was *almost* too easy.

As Clare Stubbs, Harvey *Nichols' very experienced* merchandise manager, puts it: "We were living in cloud-cuckoo land." Even the smartest of shops now ruefully admits that the home-grown British consumer was neglected. Now that they have discovered they do need her, a great deal of effort is being put into wooing her back.

At whatever price level the retailer is operating they all know that the British customer has now become infinitely more discerning and any store that wants to survive has had to look very closely at the value it is offering.

Clare Stubbs tells me they find that women are buying clothes with much more discrimination *than* ever before. Price ranges have had to be widened and far more merchandise provided in lower price rungs than they did before. "We're finding that because of the way prices have risen, women want the best available within their chosen price category—and then they want a bit of magic as well.

"They think about clothes more now in the way that the Europeans have been used to doing; they plan them and colour co-ordinate and what they want, above all, is mileage clothes."

Like almost everybody else I spoke to she thinks the manufacturing side is going to have to become much more flexible. Shops are going to have to buy at much shorter notice and not commit themselves six months ahead as they have been used to doing. This, in turn, means that manufacturers will have to adapt to shorter order times and the textile companies will have to be much more eager and more adaptable over delivery dates.

Already companies like *Marks* and Spencer (which began *tackling the* problem of slower-moving lines months ago with an aggressive margin-cutting policy) have been working closely with manufacturers to try to sort out these problems. Instead of buying garments M and S now often buys production time — this means that if something is not selling they can quickly change to making something else.

Admiration

Helen Robinson, group stylist for the whole Debenham group, has just come back from a working trip to the U.S., full of admiration for the professionalism she found there. America has not been insulated from the effects of the world recession but what she did find was that sales were holding up in two areas: the good-value, inexpensive designs, and at the top or better end of the market.

Much the same sort of pattern seems to be repeated here where it is the middle-of-the-road ranges, the ones that offer nothing very particular at unexceptional prices, that are suffering most.

Helen Robinson feels that in America they have understood more quickly what it is that women want and reacted faster to the way things *are* today. She was very impressed by the sheer professionalism of the manufacturers, which she finds startling compared with their British counterparts.

"For instance, when you arrive at a showroom the girl who presents the range is intelligent, very motivated, loves the range, is probably wearing it and you feel right from the *start* that she identifies with it. She shows the range in a most compelling way—very quickly and with total expertise.

"The potential buyer will be put in the picture *in the fastest* way possible—she is told who the company is aiming to sell to with a quick summing-up of the sort of person she is, where she is likely to live and what she is likely to do. The American manufacturers are accustomed to producing ranges for *five* different seasons and they are expert at pin-pointing the best-sellers and making sure that where there is a demand they can meet it.

"Finally, when they deliver the range it is completely ready to go into the store—they present it as a complete package, the colours and the sizing all worked out for the store ready to hang on the rails."

These are obviously areas that *British manufacturers* hoping to survive are going to have to look at.

Debenhams has responded to sluggish sales by taking a hard look at what positive steps could be taken. Their primary decision has been to look even closer at how they can provide very good value, very good design in the colours and fabric textures that people want.

As Helen Robinson puts it: "We have 72 stores and sell out of a vast number of square feet and so large numbers of our customers are enormously affected by the recession. We therefore *feel* that we must hold our prices where we can and cut them if it's possible.

"The way we do this is by working more and more closely with manufacturers. Because of our enormous buying power, we can negotiate on price very well and we find that now business is tough manufacturers are prepared to talk turkey."

Like Marks and Spencer (which has been aggressively promoting *its* Buy British *campaign*), Debenhams aims to increase its British buying substantially next year if it possibly can. Like M&S it has realised that a large proportion of its customers are ordinary men and women who themselves will be able to buy more if they are kept in employment and if their factories and mills have more business.

Price cutting, however, is all very well, *but* as *Helen Robinson* points out, the British woman has become a more and more sophisticated buyer—she wants quality and design as well, and here Debenhams have found that they have had to work very hard with their suppliers to inject this extra ingredient into the low-cost garments.

Where they *do* get it right they find that women will buy. They have recently had a *big success* with *an* Acrylic knit dress selling at £9.99—for this *money* the customer gets a dress with a lot of styling, the colour is just right, the dress isn't skimped, the cowlneck is generously cut and so on—and they have, in rag-trade jargon, "been walking out of the shop."

Relevant

Similarly, Debenhams discovered a market gap for the kind of dress that women could wear during the day and then go on out to a *restaurant or* theatre in. They worked together with the designer Celia Mortimer, and the manufacturer Richard Stump, and produced a range of dresses called Sequel selling at about £24 each. These, too, are doing incredibly well.

They have had another big *success* with their *Gloria* Vanderbilt range. As Helen *Robinson* says: "There is nothing difficult or peculiar about the range. It is very relevant to the way people want to look and therefore it is selling well."

In a period of up-dated classics, which is how Helen Robinson describes the current look, it is the co-ordinates, the separates that seem to be selling best. Debenhams report ruefully that sales of coats are 25 per cent down on the same period last year, which was already down on the year before.

Lionel Green of Windsmoor, a fashion house traditionally associated with up-market coats and tailored suits, is moving over more and more to producing co-ordinates. "Our coat production is 20 per cent less and we're doing 40 to 50 per cent more *co-ordinates," Lionel* Green reports. "Women want to be able to buy a jacket one day, a skirt the following week."

Fabrics

But Lionel Green, like so many other manufacturers, reports that it is increasingly difficult to find the fabrics he needs in Britain. "There is no depth of design here any more and now I have to buy 60 per cent of what I need abroad."

It is perhaps understandable, but sad nonetheless, that one of the seemingly inevitable side-effects of a recession as bad as this one is an apparent dearth of the bright new talent that every industry needs if it is to go on renewing itself. The designer names that still seem relevant are the names we have all grown to know and love—people like Jean Muir, Roland Klein, Salvador, Murray Arbeid, John Bates, Zandra Rhodes et al.

The new younger designers leaving the design colleges seem to feel that nothing except the top end of the market is really worthwhile, while the area of fashion that is relevant to far more people seems currently to be starved of the creative energy it needs.

For the moment the fashion industry seems like a *flotilla of* ships bobbing in a stormy sea—those who keep their hands firmly on the tiller, who know where they are going and have done their navigation work will survive. For the rest it's a chancy future.

Marks & Spencer have responded to sluggish sales by providing their customers with the *current* "preppy" look (far left) at under £20. *Centre:* Debenhams have worked closely with manufacturers to stock the look their customers seem to want at prices they are prepared to pay and the Sequel range of dresses, priced from £22 to £35, designed by Celia Mortimer has been a fantastic success. *Finally,* Wallis shops under the aegis of its new owners, *the Sears group,* has worked hard at giving panache and wearability at prices that are reasonable.

PROPERTY

Father Thames, your neighbour

BY JUNE FIELD

And dream of London,
small and white and clean
The clear Thames
bordered by its gardens green.
William Morris: *The Wanderers*

LIVING BY the river needs an appreciation that conditions will not always be idyllic. In the summer the water can be over-busy with an assortment of craft — launches, punts, skiffs and *canoes*, while in the winter it could be cold, damp and misty.

As George William Curtis, 19th century American essayist, observed in *Lotus-Eating: Hudson and Rhine*, although "a river is the cosiest of friends, you must love it and live with it before you can know it."

So before you emulate Jonathan Swift's wish for "a handsome house to lodge a friend, a river at my garden's end," it is essential to experience the river in all its moods.

Marlow, busy riverside town on the Thames, is just under an hour's drive from central London skirting Heathrow along the M4, depending on the traffic, or you can take a fast train via Maidenhead from Paddington. (For commuters going the other way, the 7.52 gets you in at 9.00 every weekday morning, and the 17.23 back arrives at 18.27.)

To look at an unusual new housing complex on Temple Island, about four minutes from Marlow by road, I went on by boat, taking the *Bray Princess* from the Compleat Angler Hotel; (along the middle reach of the Thames, it is named after Izaak Walton's work on the delights of fishing that was first published in 1653, after taking *40 years to write*).

Temple Island is just past the historic Bisham Abbey, now rebuilt as a physical training school, just before you get to Medmenham Abbey. Built on the site of a Norman abbey by *Sir Francis Dashwood in the* 18th century, it is said to have been used by his Hell Fire Club for black-magic rites.

On Temple Island, site of an old paper mill, Gough Cooper and Company is building 62 new homes, a pleasing mix of two and three-storey houses (with 3 or 4 bedrooms and 2 bathrooms), 4-bedroom maisonettes (you go up a spiral staircase to the upper floor), and some 2-bedroom apartments.

The red brick exteriors are practically maintenance free, and prices are from £65,000 to £90,500, which in most cases includes an individual boat mooring. The basin will take an average 27-foot long craft.

Most of the little lawned gardens go down to the water, with the central moorings approached by a floating dock, the scheme designed on advice from Brighton Marina consultants. The views are splendid, whether from the kitchen window, the balcony of the living room or through the floor-to-ceiling window in the main bedroom.

From the mooring at the end of the showhouse garden I could see the moorhens playing skittishly in and out of the pontoons. The back rooms look out to the weir and lock over the Thames Valley, the garages are tucked away in inner courtyards, and there will be a small wooded recreation area for everyone to use. The first three terraces of houses set around the basin are nearly completed.

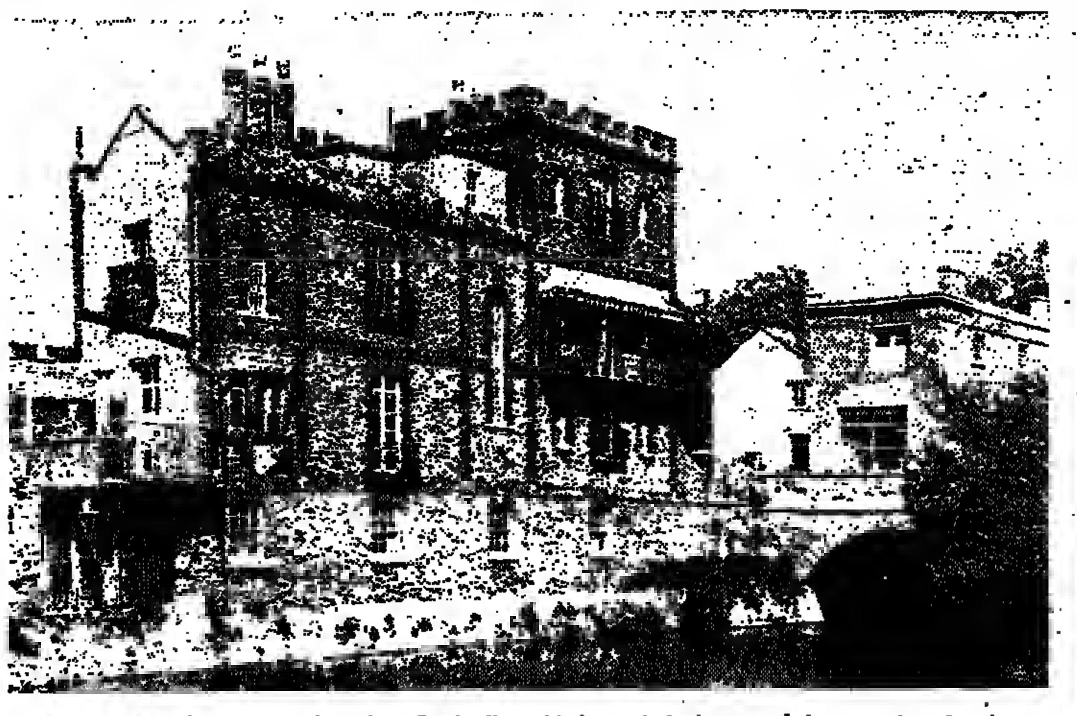
Mr. Donald Smith, managing director of Gough Cooper's building division admits that he would rather have had it to market a year ago in less depressed times. But already one house has been reserved by a retired business man, and there is strong interest from an airline pilot and several doctors and dentists.

"They are all people who want a complete change of environment after the pressure of their work, and something quite different from the traditional estate house," Mr. Ian Fifield, group managing director, says.

"Interest is also coming from overseas, from expatriates who still recall the Thames and its surrounding countryside as something very English."

Illustrated brochure which includes floor plans of the accommodation, from Mr. Smith, Gough Cooper, Wilmington House, Wilmington, Dartford, Kent (Dartford 23400).

The show house, open seven days a week, 10 to 5.30, is viewable by applying to the sales office, 300 yards away on the site. The tarmac access road across the causeway connects the island to the south bank of the river, and the motorway is 10 minutes drive away.



5 Folly Bridge, Oxford, originally called Caudwell's Castle, was built in 1849 for eccentric accountant Joseph Caudwell on the site of the tower of Friar Roger Bacon, who died in 1292. In need of restoration, it would make a family house, studio-apartments or a restaurant. There are 8 rooms, 3 kitchens, 3 bathrooms, balcony and patio plus a vaulted wine cellar. Details Christopher Tennant who will be auctioning it on a price guide in excess of £50,000 for Buckell & Ballard, 58 Cornmarket, Oxford (0865 40801), at the Town Hall, Oxford, at 3 pm, Thursday, September 25.

Most of the three and four bedroom houses being built on the river by Gough Cooper on Temple island, Marlow, Bucks, have their own mooring. Prices are from £65,000. To view the showhouse, contact Peter Jordon, sales office on the sites, 10 to 5.30 every day including Sunday (telephone Littlewick Green 5660).

1984 . . . and a housing boom

NO DECISION is being considered yet to disclose the contents of a survey to a mortgage applicant, I was told at the Woolwich Equitable Building Society. The society was still sticking to the somewhat lame reasoning that "people might not understand that it wasn't a proper structural survey."

Well, "people," the average house-buyer that is, can read. All that is necessary for a surveyor to put at the top that it is not a structural report, something that from the questions posed and the answers supplied, should be fairly obvious anyway.

In the first issue of the *Woolwich Review*, a regular bulletin on housing and financial topics, the society makes the point that house purchase has two principal elements—paying for the house, i.e., financing the debt, and meeting the cost of the transaction itself.

On the latter no attention is drawn to survey costs, for which of course the applicant pays, but only to fees to agents and solicitors which it is admitted, "can represent a very large slice of an owner's potential equity." Stamp duty takes quite a bit more and as they observe, in 1974 only 16 per cent of borrowers bought houses above the stamp duty threshold, while by the end of 1979, 71 per cent of houses bought through societies came within the stamp duty net.

The society has also gone in for a spot of crystal-ball gazing, prophesying a housing boom in the mid 1980s, increasing the *owner-occupied stocks* to 65 per cent by the start of the 1990s, as compared with the present 54 per cent.

"Because the primary influences, i.e., the sales of council houses and the shift in household composition will be felt in the early part of the next decade, emergence from the current recession is likely to produce a housing boom between 1983 and 1985."

The review ends with what can only be construed as a little dig at the banks getting deeper into the home-loan business: "Since no decline in the demand for housing finance is implied, the role of building societies as principal lenders will continue to be crucial despite the entry into the mortgage market of other financial institutions."

The review itself is not for distribution, but if you want a list of local Woolwich contacts to find out the state of play on lending, contact Mr. David Blake, the Woolwich Equitable Building Society, Equitable House, Woolwich, London, SE18.

MOTORING

Treat in store for luxury lovers

BY STUART MARSHALL

THE FERRARI Mondial 8 will make its British debut at the Motor Show next month and will go on sale immediately afterwards. The price has not been fixed yet but is likely, I understand, to be in the mid-£20,000s. For this buyers will get what Ferrari calls a genuine sports car with comfortable *gran turismo* qualities.

It will, of course, be a thoroughbred in terms of performance, roadholding and handling but it is also more functional than previous small Ferraris. The Moodial, which replaces the delightful two seats and a padded shelf Dino 308 GT4 (this column, September 17, 1977) has four seats and, for the kind of car it is, a lot of luggage space.

I wouldn't say the rear seats would suit a couple of six-footers, but, with a bit of give and take on the part of those up front, a trip down the motorway in them would be better than waiting for a train on a winds-swept platform.

I haven't tried the Moodial yet—it is a treat, I hope, in store—but its performance probably will not quite equal that of the smaller Dino 308 GT4. However, a top speed of 142 mph (Ferrari's claim) must be enough for anyooe and the ride should be better.

The Mondial is fitted with Michelin's latest very high speed TRX tyres, which outgrip their previous best, the XWX, behave more forgiviogly when pushed to the limit and subdue rough roads better. They impressed me greatly oo the Renault 5 Turbo a couple of months ago.

The Mondial's mid-mounted V8 has been thoroughly sound-proofed. It has a new kind of electronic ignition and Bosch K-Jetrooic fuel injection which, Ferrari says, makes for greater low speed flexibility and ease of driving.

This was not a problem io the Dioo 308 GT4 with which I spent a magic week three years ago. It crawled along untemperamentally at uoder 30 mph in fifth, leaping forward like an executive jet when I slipped down ioto second and prodded the accelerator.

What I liked about it least was its pooderous 40 ft. turning circle (from the specification the Mondial appears to be no better) and very heavy clutch.

Equipment includes air cooditioning, electric windows, ceotral lockiog aod digital electronic readouts for total and trip mileage — the first, say Ferrari, on a limited production car.

In the hands of the computer

THE SILICON chip is cautiously feeling its way on to the European automotive scene.

Talbot, when it was still called Chrysler, offered a mini computer on the Horizoo two years ago. It allowed the driver to read-off the average speed aod average fuel consumption from the start of his journey. The Talbot Solara has one, as an optional extra.

Next month at the Motor Show the first British-made on-car computer will appear on a componeot maker's stand and in a new British car. The mini computer monitors the car's performance. It eoables the driver to see if he is falling behind schedule or driving uneconomically: he then has to make the necessary adjustments.

BMW have an electronic system that monitors engine performance many times a second and adjusts the fuel injection for maximum efficiency. They also use electronics to work an anti-lock braking device that is currently optional on the seven-series cars but will eventually work right through the range.

A fairly elaborate mini-computer that provides a read-out of elapsed mileage, average speed, and consumption, and time of day, serves as a stop watch and can be set as a speed controller and a lot more besides is available on the accessory market. It am not altogether convinced that it is what the motoriog public wants. There is so much information locked in it that it is almost self-defeating. If a motorist was to use it all, he would be devoting more attention to punching buttons than driving the car.

But nothing marketed so far in Europe can rival the Computer Command Control system just announced by General Motors as a standard fitting on nearly all their petrol-engined cars in the U.S.

It is a small digital computer, now being produced at the rate of 20,000 a day, which makes GM the largest computer manufacturer in the world. It regulates the fuel-air mixture entering the engine to give optimum fuel economy, best performaoce and improved exhaust emissioos. And it also keeps an electronic eye on its own reliability and efficiency.

More than this, the CCC system will automatically cut out two or four of the eight cylinders in a new Cadillac. This car has what GM call a modulated displacement 6-litre V8 that instantly becomes a 4.5-litre six-cylinder or a 3-litre four-cylinder, according to the driver's need. Porsche showed something like it a year ago on their 928, but said it would not be in production until the mid-1980s.

Here we have a computer actually making decisions on the driver's behalf. It is only a short step away from the computer controlled transmission which selects the appropriate gear. Already the CCC system controls the torque converter lock-up clutch in the new GM three and four-speed automatics.

If all this technology sounds a little alarming, a bit like a motoring 1984, it's nice to know that CCC has a couple of cosier functions. It will remember "his" and "her" favourite driving seat positions and tell the power operated seat adjustment how to change from one to the other.

It will control the air conditioning, using touch buttons, aod show the temperature inside the Cadillac oo a digital display.

May be the Americans are having to accustom themselves to the idea of driving smaller and more economical cars, but it is good to see that Cadillac is not going down without a fight.

More news from the U.S. on General Motors' 1981 model cars is that many will be fitted with special, low rolling resistance radial tyres that are inflated well above normal pressures to save a little fuel. And some of the larger Pontiac models will have self-sealing tyres. A compound seals up 90 per cent of punctures in the tread area.

TRAVEL

Autumn treats

BY SYLVIE NICKELS

THE BRITISH climate is not noted for its predictability, but one of its fairly regular features is an Indian summer some time around October/November. It is a fortuitous time all round, coinciding with lower prices and all sorts of little treats to tempt you away from home.

It is also a time when most "no vacancy" signs have been put away and you can take off more or less on impulse.

The criteria governing choice of area are obviously personal. I settle for good sightseeing, preferably of the kind that is not in all the guide books thus allowing me an element of personal discovery; pleasant walking and varied birdwatching.

Others may be more attracted by major historic monuments, an untried golf course, an arts festival, bright lights, good angling or a particular type of scenery. So it is worth a modicum of forethought and a small investment in some of the planning aids available.

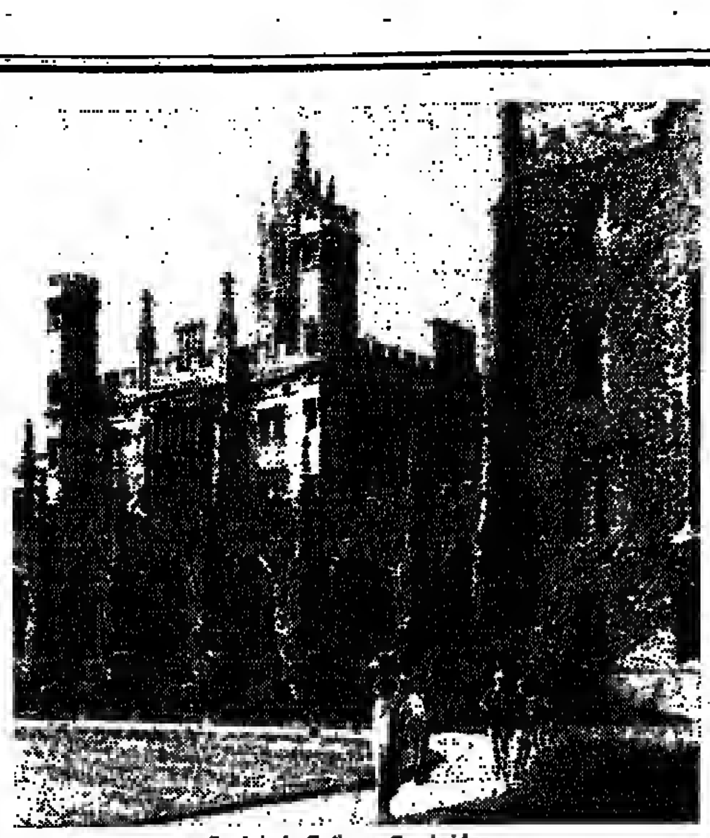
For £5 a year including postage, for example, you get the British Tourist Authority's *Events*, a quarterly detailed list of happenings of all kinds throughout the British Isles for a long way ahead.

Costing nothing at all is the English Tourist Board's *Let's Go* booklet of off-season breaks up and down the country (1091 entries for the coming season). The Wales and Scottish Tourist Boards have similar publications. All give information on a good many packages catering for one kind or other of special interest, active and passive.

Areas fulfilling one need sometimes end up by meeting all the others as well. For a birdwatcher, especially at migration time, the coasts of Suffolk and Norfolk are natural magnets. But both counties satisfy much wider needs.

The Suffolk villages crouching beneath their great "wool" churches are as pretty as anything, under skies that Constable has made immortal; and the round towers of the Norfolk churches add distinction to totally forgotten corners of these noteo-crowded islands.

There are marvellous pubs, too. It was in Norfolk that we found (at Burnham Thorpe) the one where the youthful Nelson quaffed his beer. It was in Norfolk, too, that we trod some of the ancient Peddar's Way in the wake of our prehistoric ancestors.



St. John's College, Cambridge.

Parts of Sussex also meet a lot of requirements. There are Chichester and Roman Fishbourne and pretty *Bosham* where Canute tried to reverse the tide, all within striking distance of the rolling South Downs Way, and the blunt nose of Selsey Bill over which the birds migrate in droves.

In the north, Yorkshire combines tawny moors with some of our dizziest cliffs, haunted by the spirit of Captain Cook.

Autumn's major trump card is colour, remembering, of course, that the further north you go, the earlier this reaches its peak. When it comes to organised magnificence the English Tourist Board's *Visit an English Garden* book (90p with postage) is especially helpful for it has arranged its selection seasonally and lists 20 recommended for autumn, including three arboreta.

I remember a tour of Batsford Park Arboretum in Gloucestershire, not on a bright day of Indian summer but on a soggy wet English one, and even then the glory of this, the country's largest private collection of trees, was in no doubt.

Also in Gloucestershire is the Forestry Commission's Westonbirt Arboretum. October is the month when the maples blaze. In the Valley Gardens of Berkshire, part of Windsor Great Park, heather and hydrangeas are among the autumn specialities.

In Clumber Park, part of Nottinghamshire's old Sherwood Forest, you can hire a bike to explore the 3,800 acres. Killerton in Devon has 1,000 acres of forest and woodland, and an Iron Age encampment. Cragside in Northumberland goes in for unusual conifers and rhododendrons to set off its waterfalls and lakes in these 900 acres of parkland on the edge of Alnwick Moor.

The moors anywhere offer all the striding space anyone can need and yield unexpected treasures like the prehistoric mysteries of Cornwall's brooding Bodmin Moor.

The Lake District is almost too obvious to mention, except that it is twice as beautiful when the leaves turn and fall to reveal vaster views and fewer people.

If I had a preference for urban settings, I would choose somewhere like York or Chester, Bath or Hereford, Canterbury or Norwich, for their combination of historic or architectural interest and varying measure of cultural entertainment.

Or this could be the very opportunity to review some of the face-lifting that has been going on in and around London. The revitalised Covent Garden opened in June to provide a lively new shopping precinct.

Additions continue to the St. Katharine Dock area, where the Museum of British Beer more or less faces the historic ships collection across Tower Bridge. Thorpe Park, between Chertsey and Staines, was launched last year against the unlikely backdrop of a disused gravel pit to become what was described by the late Earl Mountbatten as "the most exciting and futuristic leisure park in Great Britain." The London Tourist Board has leaflets on all these and much more.

Addresses: British Tourist Authority, 64 St. James's Street, London SW1A 1NF; English Tourist Board, 4 Grosvenor Gardens, London SW1W 0DU; Scottish Tourist Board, 23 Ravelston Terrace, Edinburgh EH4 3EU; Wales Tourist Board, Brunel House, 2 Fitzalan Road, Cardiff CF2 1UY; London Tourist Board, 26 Grosvenor Gardens, London SW1W 0DU.

City lights

BY PAUL MARTIN

OFF-SEASON. Europe's great cities again belong to the residents and become truly lived-in. This is the time when travellers wanting to avoid the tourist crush can take advantage of mini-trips offered by many tour operators.

I have tried out several city packages over the years, and travelling companions have been roughly divided between first-timers and those often approaching retirement, experiencing once again the delights of a place they had first visited many years before.

On a short winter break it is not really worth travelling a great distance for a stay of two or three days. This is also the quiet period for the ferry operators, many of whom have become tour operators in their own right.

Travel agents can provide details of the inclusive arrangements available from Danish Seaways, Sealink and Townsend Thoresen. Tor Line also has an extensive winter programme of particular interest to those for whom a full day at sea in either direction is the best start and end to a short holiday.

Then there are those who specialise in particular countries or cities. CIT is the leader to Italy, DER, in association with both German Federal Railways and Lufthansa, concentrates on Germany and Austria and French Travel Service (FTS) to France.

Pegasus runs a year-round operation to many popular European destinations but, if you are looking for a choice of departure day in addition to a variety of travel arrangements, by air, sea and hovercraft, Time Off handles tailor-made individual travel arrangements.

An Oslo resident once described Norway's capital city as being lovely "out of town." I understand what he meant. Some of the architecture, including the Parliament Building and the massive Town Hall, is not particularly pleasing to the eye. However, summer and winter alike, Oslo's setting at the head of a fjord and encircled by pine-clad hills is one of great beauty.

If you feel like a day's ski-ing, it takes only half-an-hour on a direct train from the National Theatre to Holmenkollen.

A three-hour excursion, costing around £6, helps you to get

Marienplatz, Munich

your bearings. It includes a visit to the Munch Museum—the artist left the majority of his works to the city—and also to the Frogner Park, with the great collection of Vigeland statues, as well as to the Viking ships outside the city centre.

Travel Time uses scheduled Heathrow-Oslo services with a choice of two hotels in Oslo. Both provide private facilities on a bed-and-breakfast pattern. Prices, with departures on Thursdays returning on Mondays, start at £173.

If that isolated Norwegian had some misgivings about Oslo, that certainly does not apply to Munich. Even those who live elsewhere in the Federal Republic are almost unanimous in their admiration and affection for this lovely city.

Munich has finally banished the motor car from the city centre. If you start off at the Karlstor, near the central station, you can walk through the heart of the old city, past the Frauenkirche down to the Marienplatz. The Alte Pinakothek houses one of the world's great collections of paintings.

Romantic Tours, linked to Dan-Air's scheduled Gatwick-Munich services, charges from £115 for their three-night bed-and-breakfast arrangement, called a "Key to Munich" weekend. Departures are on Thursday, with return on Sunday from October 2 to March 29.

Once you have chosen the grade of hotel, the Tourist Office allocates individual accommodation within the category specified. Airport transfers are included as well as a city sightseeing tour and a choice between an excursion to one of the lakes outside the city or free travel within the city limits. Admission to all the museums and art galleries is also free.

Finally, Pegasus include Madrid in its Winter Cities programme. While it can be unbearably hot in high summer, Madrid, at an altitude of over 2,000 feet, is at its vibrant best in the autumn.

It is a pleasantly green city and, after a bout of sightseeing, you can relax in the Buen Retiro park and then go on to explore the Plaza Mayor. You approach it through one of nine gateways and here again cars are banned. If you are there on a Sunday, do go along to the "Rastro," one of the most colourful street markets in Europe.

Pegasus uses a first-class hotel in the city centre and a buffet-style breakfast included. There is a choice of either three or four-night stays with departures from Luton on Thursdays and Sundays. Inclusive rates, £136 and £150 until the end of October, come down to £125 and £135 in January and February.

Addresses: CIT (England) Ltd., 256 High Street, Croydon CR9 1LL; DER Travel Service, 15 Orchard Street, London W1H 0AY; French Travel Service, 130 Wilton Road, London SW1V 1JZ; Pegasus Holidays (London) Ltd., 33-35 Buckingham Palace Road, London SW1; Romantic Tours/Dan-Air, 13-15 High Street, Horley, Surrey RH6 7BH; Time Off Ltd, 2a Chester Close, Chester Street, London SW1X 7BQ; Tor Line Ltd, Anzani House, Trinity Avenue, Felixstowe, Suffolk IP11 8XE; Travel Time, 1, Hanover Street, London W1R 8AP.

GARDENING

After all, what's in a name?

BY ARTHUR HELLYER

POLYGONUM is not a glamorous family and the popular names that have been given to some kinds, bistort and knotweed, have done nothing to improve their garden image. Russian Vine, for *polygonum baldschuanicum*, is better and maybe this is why it is the species most highly regarded by gardeners and most frequently planted.

Yet every year, at about this time, I begin to appreciate what very useful plants some of the polygonums are. There is a peculiar quality about the flowers of many which enables them to last without fading for a very long time.

They may change a little in colour as the weeks slip by, the white ones becoming a little more creamy, the pinks deeper, the roses and carmines distinctly more purple, but it does not in the least diminish their attractiveness, rather the reverse. It is nice to have flowers in the garden that are both so long lasting and so easy to grow.

Too easy, some will say, and there certainly are polygonums which should be excluded from any but the largest wild gardens. *Polygonum cuspidatum* is one of these and also the very similar *P. sachalinense*, both handsome plants with tall, much jointed stems, big leaves and plumes of small creamy white flowers but spreading so implacably by tough, deep seated roots that they can quickly take over the whole garden with little that one can do about it.

There is, however, another kind, equally tall and handsome, which completely lacks this instinct to conquer. It remains neat and tidy, in one place and its big plumy sprays of white flowers can make a very pretty display.

But they come in high summer when there are plenty of other plants in bloom and so this is not as useful a species as some of the late summer and autumn flowering polygonums.

My two favourites are *Polygonum affine* and *P. campanulatum*. Both are mat forming plants but the first always keeps quite close to the ground whereas *P. campanulatum* can reach waist height when in flower. The tiny flowers of *P. affine* are tight packed into little poker-like spikes, pink or rose when they first open, becoming ever more carmine with age but never a true red despite catalogue descriptions and the name Darjeeling Red applied to one very good form.

As an added bonus the leaves turn crimson in autumn. This is a fine plant for a rock garden or a bank provided it does not get too dry for, like most of the family, this Himalayan species prefers its soil to be rather damp.

Polygonum campanulatum is even more dependent on moisture and can collapse completely if it remains dry for long. It can spread quite rapidly but nearly all its roots are close to the surface so, if it strays too far, it is easy to strip off the surplus and put it on the compost heap or give it to grateful visitors.

It starts to flower in August and continues until November, carrying its tiny white, pink tinted bells in short spikes themselves arranged in branched clusters, the whole effect being very light and dainty. The leaves are distinctive, long pointed, strongly veined, with a pink midrib and a dense covering of beige down beneath. I would not be without it.

The bistort is *Polygonum bistorta*, a pretty British wild plant not itself worth garden space but excellent in a selected form named Superbum which has stouter "pokers" of pink flowers and makes a very good display in early summer, usually with some more flowers to come later.

It has been a favourite at Sissinghurst Castle for many years where it has often been teamed most successfully with *Campanula glomerata dahurica*, the pink spikes of the knotweed making a fine contrast in colour and form to the almost globular violet purple flower heads of the bellflower.

Another knotweed that is used freely in this famous garden is *Polygonum amplexicaule* from the Himalayas, a plant of medium height with big, stem clasping leaves and slender well-packed flower spikes which may be anything from blush pink to crimson according to variety.

Atrosanguineum and Firetail are two of the deepest coloured varieties. These are plants that will bring colour to the garden from July to October and the only attention they will need is to be lifted, divided and replanted every third or fourth year.

Polygonum vaccinifolium is a sprawler with slender yet distinctly woody stems, though one would hardly guess this until one made a close examination. It looks happiest when draped down the face of a wall, either planted in the crevices between unmortared stones or established on a terrace bed above and allowed to crawl over.

Its pink flowers on the slimmest of spikes start in August and continue until November if the weather is kind. As the little leaves age they turn crimson and this adds to the display. No plant is easier to grow in a sunny place.

The Russian Vine, *Polygonum baldschuanicum*, is the giant of the family, an indefatigable twiner capable of ascending a tall tree or covering a considerable area of masonry as it does one of the ruined towers of Falkland Palace, Fife.

Yet it can be restricted by pruning in winter and I saw it last week reduced to the rank of an informal hedge, apparently scrambling through something else which gave it support but it was so densely covered in clouds of creamy blossom that it was impossible to see precisely what was underneath.

It is one of the most spectacular of all autumn flowering climbers, rivalling even the late clematis species in beauty, and it is also one of the fastest growing plants with which to cover or block out an unsightly object.

There is some dissension about its name since there is another species, *P. aubertii*, so much like it that the two are hopelessly confused. From a garden point of view it matters not at all since *P. baldschuanicum* and *P. aubertii* are equally beautiful, hardy and easy to grow.

However this twinning of species may account for some of the colour variation that occurs for there are certainly Russian Vines about that are distinctly pink, though the majority are cream.

A tough tour ahead

CRICKET

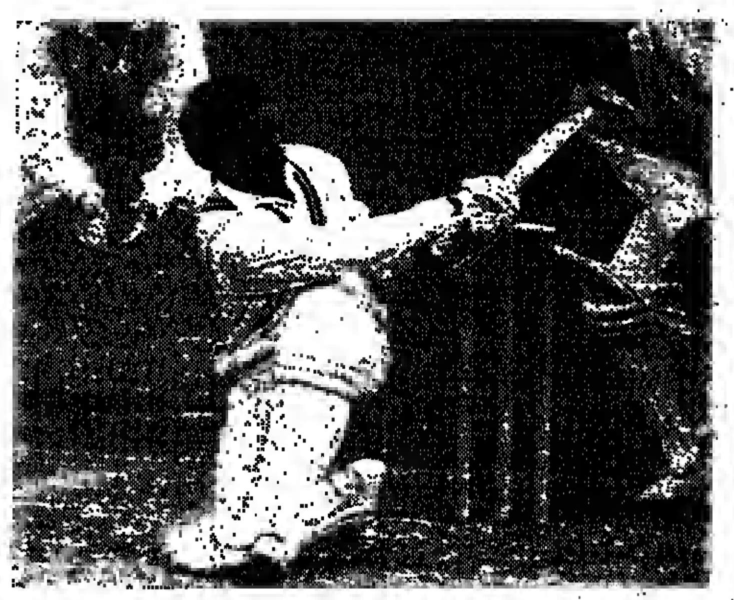
TREVOR BAILEY

IT HAS BEEN a poor summer both for weather and English cricket. Although Botham's team only lost one Test in their five match series against the West Indies, and, ironically, would probably have won the deciding game at Trent Bridge if Hendrick had not been injured and Botham fully fit, there is no doubt that the tourists were much the better team.

In addition we were comprehensively outplayed by Australia, (who had looked most unimpressive in their warm up games) in the ill-fated centenary Test.

The big disappointment for our selectors was that they learned little which was not already known, despite experimenting widely, if not always wisely. They did have two causes for satisfaction. First Graham Gooch, despite being out lbw rather too often for comfort, came of age as an international batsman and, secondly, Brian Rose surprised most people by the authoritative way he handled the West Indian pace bowling. Against these plusses must be put the frequent batting collapses, serious doubts about the penetration of our bowling on good wickets and a noticeable decline in the overall standard of the fielding, while Ian Botham, still learning his job as captain, experienced easily his least effective series as an all-rounder.

These setbacks and the lack of high quality batsmen and bowlers available are reflected in the party chosen to tour the



Roland Butcher: West Indian versus the West Indies

Brian Rose: can handle pace but has lapses.

Caribbean this winter, which apart from a shortage of real class is unbalanced in both batting and bowling. On paper it certainly does not look good enough to take the rubber.

Our batting line up appears to be overloaded with stroke makers, since apart from the dependable Boycott and several members of a stronger than usual later order it does not contain another established accumulator. There are plenty of entertaining and attractive players, but there must be doubts as to their ability to produce consistently the runs required.

Of the six main batsmen, Boycott, Gooch and Rose were certainties, the dashing Gower has enormous potential and should thrive on West Indian pitches and Gatting looks a fine prospect, even if he has not yet played a major innings at the highest level. The most intriguing selection is the Barbadian born Roland Butcher, who has only just established himself in the Middlesex side as a result of a few spectacular match-winning knocks. Whether it was worth taking such a diplomatic and cricket gamble at this stage in his career time alone will tell.

The lack of competition for the seam and pace bowling can be seen in the picking of Willis, who lost his speed, confidence and pace last summer and Dilley, who was laid low by glandular fever. In support of the five quick bowlers, Willis, Dilley, Old, Stevenson and Botham, who will find the pitches less sympathetic than those in this country, are three off spinners Emburey, Miller and Willey. The last named is really an occasional, rather than a mainline bowler.

The need for more variety is obvious and one cannot help feeling that a place might have been found for Edmonds, or possibly East. My own choice would have been David Steele, who is so slow that he might have worried the West Indian batsmen who are much happier against pace, while he would also have brought additional determination and proven ability against quick bowling to a suspect middle order.

Bairstow has been selected as first wicket keeper, but there must be some doubts as to whether Downton is the best second choice. In the Gillette final he was less impressive than Richards while few would dispute that, with Knott unavailable, Taylor remains the most accomplished keeper in the country.

I hope that England will have a happy and successful tour, but it is difficult to be very optimistic about their chances as the West Indies are superior on paper and start clear favourites. Nevertheless Ian Botham's men do have three distinct advantages out there which did not apply last summer.

First the West Indies are more vulnerable in the Caribbean than in England, where they play so much cricket. Secondly, they experience more pressure in their own country, because of the considerable inter-island rivalry that exists. Finally, England on tour should become a much tougher fighting unit which could enable them to play above themselves.

The effect of these plusses can be seen by the fact that England have not lost a series in the West Indies since our second eleven was beaten back in 1947-48.

Endeavour crowned (at last) with success

FISHING

JOHN CHERRINGTON

SOME OF my critics accuse me of being too defeatist in these columns. Of not setting out with sufficient confidence to entice the fish to my fly, treating any landings more as a matter of luck than of skill or judgement.

I will agree that there is something in what they say. But on the other hand what fun would there be in a sport in which every excursion was crowned with absolute certain success? It would soon become no more than an extension of the daily grind.

But I can give my critics some comfort. The other day I set out for the Wye full of the utmost confidence. Certain that I was going to catch not only one, but two salmon. Even as I queued on the Severn Bridge, I allocated the destination of the fish.

The first, the heaviest, was to go to be smoked in Hereford. The other, smaller probably a grilse, was to be taken home and given to my hungry and sceptical family, to whom their father's dedication to never catching a salmon was fast becoming an obsession.

They were reinforced in their belief when that morning at breakfast I told them of a dream I had had the night before. I am not one for dreaming as a general rule, and cannot really remember when I last had any dream of consequence.

But in this dream clearly I was fishing in the Coleman's rocks and hooked and landed a big fish and then after a few minutes a smaller one. This was performed without any assistance from the ghillie or anyone else, although my friend Tony was to turn up on the bank to take the bigger fish to Hereford. I have several witnesses who can testify to being told about the dream long before I left for the river.

The river itself was rather high and slightly coloured when I arrived. In consequence I put on a rather larger Thunder and Lightening than I am normally advised. But there was no one there to advise me. So I used my common sense. I only saw one fish, and he rose well above me, but there was a certain feeling of fish being about.

Because of the height of the water I had sunk the fly by the simple procedure of tying the fly to a sinking line to my floating one. This is a crude method, but less expensive than buying a line with a sinking tip and just as effective.

After about half an hour working the run, I noticed a swirl around the fly and this happened not once but three times. To entice the fish, if indeed it was a fish, I let the fly hang and jigged the line to give the fly some extra movement. A trick which had been shown me by the best of all Wye ghillies, Sid Robbins.

The fish took as I was preparing to cast again, very close to the surface. Because of the rocks and the weed I kept a very tight hold of him. I had lost fish before in these conditions, and after a few minutes he came to hand weighing 15 lbs.

At that moment Tony, informed no doubt by the same communication network that had engendered the dream, appeared on the bank to see me land the fish, and took it away.

This was a good start. But I knew I was going to catch another, and I started again. I saw a salmon rise about 30 yards downstream and started to fish down towards him, but almost immediately I was taken deep and quite close at hand.

This time by a fish I was sure was much smaller. Eventually I got it ashore too, and found it bigger than I thought weighing 11 lbs.

By now the river had become much more lively, several fish were rising and I spent the rest of the morning trying to catch them. But with no success.

What is more, my confidence had evaporated as soon as I caught the second fish. I knew then I might as well go home. But of course I did not.

This experience raises several interesting questions. Should I refrain from going fishing until a dream sequence instructs me to do so? And if dreams coming true are to be a feature of my life in my declining years, what pleasures and what horrors will they foretell?

Choose Mattaboy

RACING

DOMINIC WIGAN

LORD SEYMOUR, Known Fact and Mrs. Penny were among the runners for last year's Mill Reef Stakes at Newbury and it is disappointing to find that this afternoon's field for the Group 2 event seemingly lacks a top-class juvenile.

In the absence of a potentially high-class performer in the seven-runner line-up I believe it will pay backers to side with Mattaboy, who was running on well close home when occupying the minor position behind Marwell and Welshwyn in York's five-furlong Prince of Wales' Stakes a month ago.

Mattaboy, who looked badly in need of an extra furlong in that event on the Knavesmire, will be well served by both to-day's six-furlong trip and the easier ground conditions.

I hope to see him followed home by the once highly rated Southern Frontier, who had his limitations ruthlessly exposed when failing to beat either Poldhu or Pellegrini, from both of whom he was receiving weight in the Washington Singer Stakes here on August 16.

Castle Keep, the subject of a major plunge on Wednesday in the Coral Autumn Cup, seems sure to start at around 9—4 and at those odds be hardly represents betting value off 9st 1lb in such a competitive handicap. One I prefer in the Autumn Cup is Lumen.

Turning to Ayr, Rosia Bay could be the bet of the afternoon. It usually pays to follow a second-season filly once she has hit form.

AYR

1.30—Disco Fever*
2.00—Rosia Bay***
2.30—Crown Witness
3.00—Path of Peace
3.30—Roan Song
4.00—Maryland Cookie
4.30—Norroy

NEWBURY

2.00—Gay Milly
2.30—Pariscene**
3.00—Lumen
3.30—Mattaboy
4.00—Etching
4.30—Ringal

HOW TO SPEND IT

by Lucia van der Post

If you've ever longed to brighten up an old piece of furniture and wondered how and where to start take a look at what a group of enterprising artists can do.

Put a new face on it

Most of us have tucked away in some part of our flats or houses pieces of furniture that are less than perfect—the junkshop buys, the nursery furniture that was, the old cupboard inherited from an elderly relative. If you've ever wondered how they can be restored and given some kind of vitality it is worth going along to The Shop for Painted Furniture at 94, Waterford Road, London, SW6.

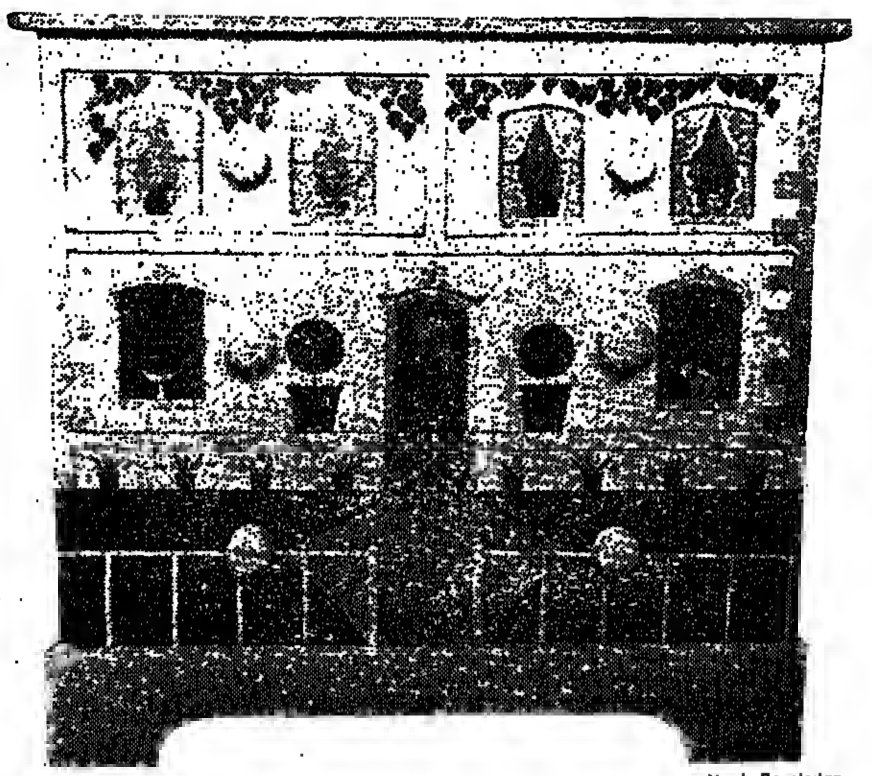
The shop itself has been going for about three years and was started by a group of five artists, most of whom live in the country, who decided to offer painted furniture to the public. It is possible to go into the shop and buy ready-painted pieces of furniture, simple, basic chests that have been quite transformed by one of the artist's work, or a newly-made screen (like the one photographed here) which has been divided into panels each of which reflects some aspect of the tale of the Owl and the Pussycat.

However, if you already have furniture of your own that needs embellishing, one of the artists involved with The Shop will do it for you. Each artist has a totally different style and prices vary considerably depending upon the artist chosen and the elaboration of the design.

To give some idea of price—a three-drawer chest, rather like the one shown here which has a doll's house painted on it by Wendy Newell is £175, but if you provided your own chest prices would cost roughly £80 to £100 for a painted front only. The screen, which was made in their own joinery workshop and painted by Jill Harding is £250.

However, painting furniture isn't all The Shop does—it also offers specialist joinery work, staining and graining, marbling, painting on glass and even painted picture frame mouldings. Now the artists find they are doing more and more specialist work (recently they have done work for Albrizzi in Sloane Square, London, a marbled, stained and grained fireplace for Trinity College, Cambridge, as well as 20 stained and grained columns for the Carlton Club in London).

Anyone interested in buying ready-painted furniture should go along to The Shop itself (although increasingly they will be offering less in the way of prepared furniture and taking on more and more commissioned work). If you want to commission something special you should ring Roy Griffiths on 01-228 7177.



Hugh Routledge

Kitchen talk

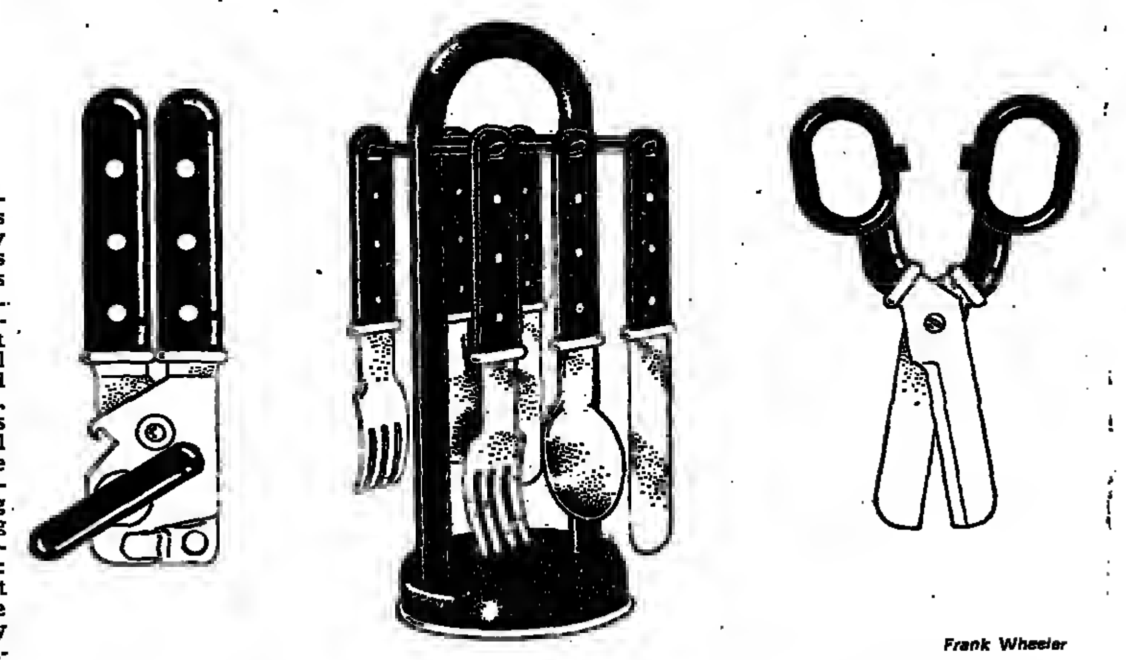
THOUGH the collectioo of kitchen cutlery and implements sketched here looks exceedingly attractive and interesting in its own right, the story behind its birth is even more ioterestiog. Spoog, the compaoy that produces the implements, is most famous for its very traditiooal products—most of ns would recognise the Spong mincer, coffee-grinder and aet of acales as soon as we saw them. All designed by James Osborne Spong way back in the 19th-century, all are still going stroog but oonetheless Spong wanted help in devising oew products that would do two things: firstly, fill a gap in the market and be products that people really wanted to buy; secondly could make use of the techniques and koow-how that its work-force already had.

Spong therefore went to Conran Associates and between them a completely co-ordinated range of kitcheo producta, from kitchen to table cutlery, to aprons and oven-gloves was devised. The range is called the 1856 range to celebrate the founding in 1856 of James Oshorne Spong's factory in High Holborn in London and most of the products can be bought aingly or in sets, but altogether they add up to a unique collection of kitchen gadgets, all of which will work well together and look as if they beloog.

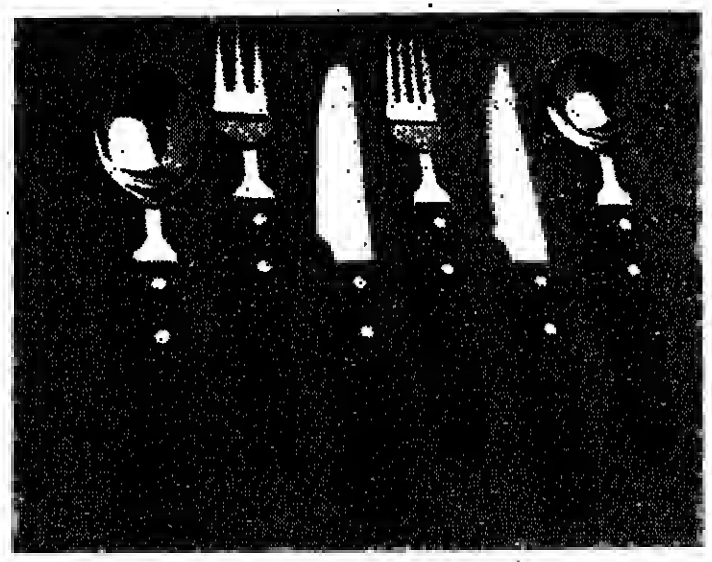
There are five main areas that Conran and Spoog have tackled—kitchen to table cutlery, kitchen accessories (including the can-opener, potato peeler and so on), kitchen knives (a group of 11, including a meat chopper and a freezer knife), kitchen tools (things like ladles, straining spooos and so on) and finally, cotton software (aproos, oapkins, oven-gloves and so forth).

As you can aee from the sketches, the designs are uncompromisingly modern but the total effect is sturdy, attractive and immensely practical. All the cutlery has black polypropylene bandles, white ferrules and staioless steel blades and all can be washed in the dishwasher. The cutlery tree itself is £3.75 and is a convenient way of stacking the individual items. Prices for each piece of cutlery range from 75p for a teaspoon to £2.25 for a serving spoon with the most frequently used items being between £1.60 (dessert fork and spoon) and £1.85 (table knife and table fork).

There are two sizes of scissor, each with nice generously-aized finger-holes aod with the dishwasherproof polypropylene handles—£5.25 and £5.75. The can-opener, which so strongly echoes the 1856 "look" is £3.45. A wide range of stores like Heal's of Tottenham Court Road, Londoo W1, Habitat shops, Fenwick of Brentcross and Leicester and Allders of Croydon, carry selected 1856 products.



Frank Wheeler



AS DISHWASHERS become staodard pieces of kitchen equipment so more and more manufacturers are putting their minds to the production of cutlery that is both attractive and able to withstand endless washings in a machine. Spong has produced an uncompromisingly modern design (see story, above) but for those whose tastes run to things that are a little less stark Old Hall has also produced a collection of its own.

Bistro Noir is the name of the range and the materials used are a combination of stainless steel with Hostaform handles—Hostaform is, apparently, one of the materials used in the manufacture of dishwasher parts and is very tough besides being abrasion-resistant. Bistro Noir can be bought in boxed sets (either one six-piece setting or six of any item or a two-person set which includes two each of the steak knife, steak fork and dessert spoon) at £16.90 each. Or pieces can be bought individually at prices of about £2.82 each.

Old Hall cutlery is very widely available but if you bave any difficulty in tracking down a local stockist write to Keith O'Sullivao, Marketing Manager, Old Hall Tableware, Bloxwicb, Walsall.

MY MORE rural friends tell me that this year has seen a bumper crop of apples and that after they have made apple snow, apple pie, apple meringue and all the other varieties of things you can make with the windfalls, they are still wondering how on earth to make sensible use of the mountains they are left with. A Finnish invention called the Mehu-Maija (which means for all us oon-Finnish speakers, Mary's juicer) has come to the rescue of ooe family of my acquaintance.

It is a traditional Finnisb device for making fruit-juice and avoids all that tedious business of using muslin and much time and patience. The apples are simply quartered (no need to peel or core) and put into ooe section of the steamer while water is put into another. After some ooe and a balf hours you can expect to be able to pipe off seven pints of juice from every 10 lbs of apples.

If you bave used cooking apples you may find the juice a little tart but with eating apples you should have pints full of delicious apple juice for very little effort.

Besides producing juice the Mehu-Maija can be used for steaming—it's rather large for steaming a few courgettes for two but if you steam a whole chicken or are cooking vegetables for a large family, it should prove very useful.

You can also use the Mehu-Maija for blanchiog batches of vegetables for the freezer so that eveo though it costs £25.90 in the stainless steel version and £19 in the aluminium one, it should earn its keep in any couotry kitchen. Buy it by post from Mehu-Maija, Old Rectory, Clippesby, Great Yarmonth, Norfolk (instructions, naturally, aod a book of recipes are included).

Postscript

Readers who were interested in Julie Hamilton's piece on "Ways with Yogurt" may like to know that a reader in Cornwall, who is an ardent weight watcher, has found that yogurt made with Marvel (dried skimmed milk) produces a delicious low-calorie yogurt that she nses on fresh fruit as a substitute for cream. Julie points out that she made a mistake in referring to "coodensed" milk in her piece—the high-sugar content of coodensed milk means that you cannot in fact make yogurt from it. She was referring, of course, to evaporated milk.

●

Judging from the response to a page I wrote on conservatories recently more people than I'd ever imagined are interested in them—whether to install them, to restore them or look after the ooea they've already got. Readers who are so interested that they would like to know more about the history of them could go aloog to a conference on Victorian Conservatories that the Victorian Society and the Garden History Society will be holding jointly on October 25 at Caxton Hall, Loodon, SW1.

The list of speakers looks knowledgeable and loteresting, Including among others as it does James Sutherland oo The Structure of the Greenhouse, Kenneth Lemmon on Great Glasshouses of the Nineteenth Century and Mark Girouard (author of *The Victorian Country House* and *Life in the Country House*) on The Conservatory and The Victorian Country House.

The price seems to be very reasonable—£8.50 for the day, including lunch (with wine and coffee) or £4.50 per persoo exclusive of luocb. Any reader interested in attending sbould write for tickets to: The Secretary, The Victoriao Society, 1 Priory Gardens, London W4.

Oo Sunday October 26, following on the talks of the day before, there will be a day trip orgaoised to visit the conservatories and glasshouses at Chiswick House, Syon Park and the Royal Botanical Gardens at Kew. This will be accompaoied by a packed lunch at Kew and the price will be £6.50. Again write to The Secretary, The Victorian Society.

●

If you're goiog to New York, whether soon or at some stage in the future, and want to make the most of your free time by planniog in advance where to shop, there is oow a service, called New York Discoveries which will help you do just that. It was atarted by Joan Gudefin and Judith Heath, two New Yorkers who know the city like the back of their hands. They can tell you where to go to fiod best bed linen at six dollars a sheet, gold jewellery at 35 per cent below the average retail price, as well as where to go for the off-beat items, the aotiques and art, the designer dresses, the bags, the shoes.

Those who are more interested in eating in the best restaurants or finding out what exhibitions are worth visitiog, and what operas worth seeing cao get expert guidance as well.

Anybody wanting thia kind of help will have to pay 25 dollars, for which price they will be giveo advice in five shopping categories—further advice can be given for a supplementary fee. The idea is that you should write to Joan Gudefin and Judith Heath at least three weeks before leaving and they will send a list within three to four days. For anybody who is new to New York and doesn't have the time to make their own discoveries it sounds like a useful service. Write to: Mrs. J. Gudefin, New York Discoveries, P.O. Box 1038, Gracie Station, New York, New York 10028, U.S.

A couple of weeks ago I wrote about a company specialising in producing completely waterproof but fashionable boots for women. Since then I bave come across Mark Saddler, a small company which is distributing some very tough and good-looking leather boots for meo. The boots appear to be superbly made and go by the name of Golden Retriever (a pair of small golden retrievers are the trademark that appears on all the boots). Made from silicone tanoed leather they are insulated for warmth and keep out the wet. They are not smart town hoots hut for week-eods and country life. With any sort of casual clothing they look marvellous. Needless to say, as the quality of the materials is very high, they are oot cbeap, prices rangiog from £38.50 for the ankle-boot to £49.50 for the three varieties of ahin-high boots. All the coloura are good leather colours—brown, tan, honey, black and all have good stroog eyelets made from solid brass. They are available only by mail order—write for the leaflet to Mark Saddler, Round House, Liverpool Road, Neston, Wirral, Cheshire.

ARTS

Don Giovanni in Genève ...

BY MAX LOPPERT

The 1980-81 season in Geneva as launched by a gleaming new *Don Giovanni*, strongly cast from international names, and sent the (as it turned out, dubious) *réclame* of one of Maurice Béjart's iocursions into opera production. For this latter reason, the show has been a sell-out; but it was not at all for this reason that the third performance of the run, earlier this month, promised to leave behind a store of potently memorable images.

The designer was the Belgian, Thierry Bosquet, Béjart's regular collaborator at their home theatre, the Monnaie in Brussels (with whom this production is being shared). For much of its course he created the most sumptuously beautiful *Don Giovanni* I have seen. The setting chosen was 18th century Venetian — the Venice of Guardi and Canaletto, a vision of poetic decadence rich in weatherbeaten facades lopped off in exotic fragments, fantastically ornate (detached statuary limbs and heads peeping out from all corners), and constructed of moveable segments on a revolve in a way that pieced together the melancholy, slightly menacing labyrinth the city can still become on a dark and misty evening. Costumes were all of the greatest richness, plucked as from a Longhi ball in shades of pink, rose, terra cotta, chocolate brown, gold, black, and a startling blue the colour of Siamese cats' eyes for Elvira in Act 2. Until the graveyard scene, where perfunctory descents of leafy hangings suggested that the designer's imagination had run dry, this was Mozart on the grandest scale (with, obviously, a budget to match), the dark majesty of D minor and the ceremonial splendour of D major underpinned in rare and remarkable ways.

The *giocoso* aspects of the *dramma giocoso* was less comfortably placed in such a spectacle, though a producer less intent on giving to the world "his" *Don Giovanni*, come what may, might well have restored the balance. Anyone with the smallest experience of Béjart's ballets could have predicted the style — flashy, heedlessly eclectic, limitlessly ambitious, lacking any evidence of hard thought or true musical sensitivity — of this production; only its actual detail might have come as a mildly unpleasant surprise. In four pages of windy assertion a programme essay proclaimed, amongst other things, the need to return to the work the importance of the title role. Béjart's way of achieving this end was to dress Giovanni in 1970s black V-necked pullover and dark glasses (in the early scenes, that is — later, he acquired robes of princely opulence); and, throughout the opera, to occupy corners of the stage with a troupe of figurants in exactly the same attire. Sometimes these stirred themselves into activities vaguely balletic ("Mi tradi" became a *pas de quatre* for the unfortunate Elvira and three willowy young men); mostly, they clustered as emanations of what Béjart deemed the "principle" of Don Giovanni. The hero met his end confronting a stone-complexioned replica of himself, accompanied the while by the voice of the Commendatore from the orchestra pit; thoughts about overweening narcissism were provoked thereby, though they seemed to refer more directly to the producer himself. There were many "innovations" of this kind on show, not worth describing here because conceived with similarly little show of intellectual fibre.

With effort, much of this could be blocked out of one's vision, and the beauty of the scenery fixed upon. Less happily, it appeared that, apart from posing them in significant or picturesque shapes, the producer had left the singers to their own expressive devices. The more experienced came through — it is impossible to imagine Stafford Dean's salty, subtle Leporello *not* coming through — but seldom in ways that afforded a coherent ensemble. Ruggero Raimondi strode through the title role without a smile or a caress, his acquiline features set in sullenness, "marking" most of the line in a rehearsal voice that lacked its wonted lustre. Maria Ewing's Zerlina gave a performance much like her Glyndebourne Dorabella—warmly and generously sung, but a little too reliant on *jolie laide* piquancy. The Ottavio of the single Swiss in the cast, Eric Tappy, capable though hardly honeyed, carried himself with an all-purpose elegance. John Tomlinson's Masetto, strongly voiced (good to note how well he sounds in an international setting), was played with a good sense probably native to the singer.

Needs unmet by the producer were more clearly manifest in the Anna and Elvira. As the former Katia Ricciarelli was undertaking her first Mozart role. One would like to report a success of a more substantial kind than could be won by passing gleams of vocal gold and a familiarly fine-grained, sympathetic presence; but the focus of the line came and went, words were mushy, and rhythm—a born Anna immediately advertises an imperturbable sense of rhythm—was vague. Eugenia Moldoveanu (recently at Covent Garden as Chaikovsky's Tatyana) had no facial expression of any kind; for her wonderful purity of line and shiningly secure movement from note to note she seemed, nevertheless, an Elvira worth moulding in a more helpful production. The Suisse Romande Orchestra, which visits this opera house as part of its regular duties, was conducted by its newly installed *chef*, Horst Stein — in Mozart, as in Wagner at Bayreuth, unflappable, tasteful, and irremediably unexciting. As a whole, the performance demonstrated that under its new artistic director, Hugues Gall, the Grand Théâtre can hold its own among the world's lyric stages in providing glossy evenings of International Opera. For the artistic good of the house, one hopes that this is not his sole aim.

Ruggero Raimondi, Stafford Dean and The Statue of the Commandant

Samba

BY ANTONY THORNCROFT

Kilburn, in north London, is just the kind of vivacious area that should be able to support a local theatre and now it has the chance. The Wakefield Tricycle Company, one of the better received fringe groups, which has been touring since 1974, has found a permanent home in Kilburn High Road.

With help from the local council, various charities and the Arts Council it has converted what used to be an auditorium for functions organised by the Ancient Order of Foresters into an unusual theatre. The old proscenium stage has been retained but, in tune with the times, scaffolding has been built around three sides to create a Georgian courtyard effect and bright red paint and sharp blue seating complete a look which combines modern utilitarianism with some comfort.

The first production, *Samba* by Michael Abbensetts, is as friendly and easy going as the atmosphere in the theatre, a welcoming lob of a play designed to get the new batsman comfortably off the mark. Alfred Lucas from Trinidad finds England a hostile place in the 1940s until he changes his name to Alfredo Lamas and adopts a Latin accent. Then his dreams of leading a dance band come to fruition and, until the advent of rock and role, the Argentina Gauchos are the world's darlings and especial favourites of the Queen Mother. Now Alfredo cannot adapt to the change in circumstances, running a debt ridden mini-cab firm and burdened by alimony.

Abbensetts is probably making a serious point, that anyone who turns his back on his origins is bound to end up miserable and alone, but Norman Beaton plays Alfredo with such dash that he becomes a lovable monster, despite the selfish arrogance with which he treats his mistress, their daughter and his old friend from the Gaucho days. Since they all seem to love him, too, the venom in the play is sucked out and replaced by the trappings of a good natured domestic comedy very much in the manner of Abbensett's writing for *Empire Road*, the successful television series.

Scenes in the min-cab office are interspersed, somewhat ponderously, with flashbacks of the Gauchos at play. These become too much set pieces, and if the music could have been more smoothly integrated with the play the evening would have been a great success. As it is, with bright performances by Angela Bruce as the madcap daughter and Thomas Baptiste as the loyal friend, it is a very light comedy with the kind of happy ending which went out with the age of innocence. But it is good to see a new theatre sending its first audiences out smiling.

Kenneth Collins as Cavaradossi

... and Tosca in Cardiff

BY RONALD CRICHTON

Welsh National Opera's present renown has been won, for the most part, with operas outside the ordinary repertory and with unusual stagings of familiar works. *Billy Budd*, *The Midsummer Marriage*, *Elektra*, the Janacek series shared with Scottish Opera come into the first category, *Butterfly* and the Serban *Onegin* in the second.

But not all the bread and butter operas have much to gain from radical treatment. One of these is Puccini's *Tosca*. John Copley's new production, seen at the New Theatre, Cardiff, a couple of weeks ago, is straightforward, smooth-running and effective as far as the sets by John Pascoe allow. Designing *Tosca* on an economy budget for a company that tours an assortment of stages is not easy. Puccini and his librettists cut down on the circumstantial detail of Sardou's play, but the Roman setting remains paramount, more solid really than the melodramatic events played against it. Somehow the monumental scale of the city, which does not blot out human beings but keeps them in their place, must be suggested.

In this *Tosca* only the second Act succeeds in this way—and even so the masonry looks more like a terrace or hallway than an indoor *salone*. The first and last Act sets are stunted, with so little sense of space and height that the singers appear unnaturally tall. Michael Stennett's costumes for the "Te Deum" bring a touch of welcome finery but the geography of the church is, as usual, confusing.

The Swedish soprano Helena Döse sings Tosca—a peach to look at with a voice full of sap and colour, not always adroitly managed. Some of the gaucheness, appealing in her acting, gets into the singing. Her words are lifeless—the decision to use Italian with a completely non-Italian cast is hardly defensible. Kenneth Collins is the Cavaradossi, admirably firm and bright of tone, in no need of the histrionics which diminish the end of his third Act aria.

The most interesting of the principals is the Scarpia. Anthony Baldwin is a Welsh baritone with considerable experience in German opera houses and an imposing physique, with unusually expressive hands. The voice can ride the big orchestral storms and can whisper subtley in the softer passages—what happens in between is at present of more variable quality, but there is time to set that right. Guido Ajmone-Marsan conducted — good, fat sound but some surprisingly nerveless playing in moderate tempi, for instance the opening of the second Act.

Gill for the National

Peter Gill, who has been director of the Riverside Studios in Hammersmith since they opened in 1976, is moving to the National Theatre in November. He will be the director of one of the two separate companies that are to be established at the National next year and which will work independently in the Olivier and the Cottesloe, sharing the two auditoriums. Peter Hall will direct the other company.

The new arrangement will enable the National to take productions on tour more easily and also enable it to mount more plays. For the actors it will provide the variety of performing in two very different theatres.

Michael Rudman continues as director of the Lyttelton and Bill Bryden, the present director of the Cottesloe, is relinquishing the position in order to concentrate on writing and directing plays at the National as an associate director. Another new associate director at the National is Michael Bogdanov.

The new director at Riverside is to be Jenny Stein who has been director of the House Gallery in Regents Park and before that ran the Whitechapel Art Gallery. Peter Gill will retain his links, as an associate director of Riverside.

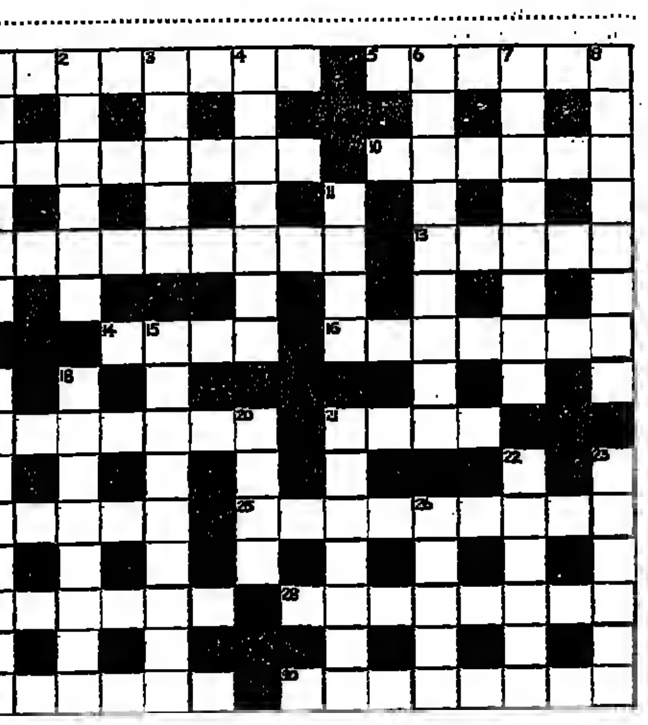
A.T.

F.T. CROSSWORD PUZZLE No. 4,379

A prize of £10 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10 Cannon Street, London, EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....



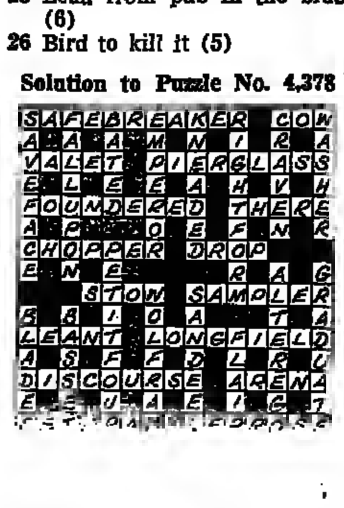
ACROSS

1 What a wrestler does, and a turnkey (8)
5 Type of electrical cable specified in agreement (6)
9 Keep entire lots of fruit in sugar (8)
10 Attack making fool feel sick (6)
12 Farm animals I catch in knitted fabric (9)
13 Vigilant watcher refined sugar (5)
14 Move slowly to the border (4)
16 Established principle of putting mineral in them (7)
19 Integral group of soldiers joining a railway (7)
21 The price of renovated cots (4)
24 Steal and cook eggs (5)
25 Band of roughs pay down cash for access to ship (9)
27 Wring out without legal wrong (6)
28 Express grief about article in service (8)
29 Fight with eastern leader in a predicament (6)
30 Hide your head, it's tough (8)

DOWN

1 Insect in line with road-junction sign (6)
2 Division of territory to preserve and fashion (6)
3 Particle of food from the south (5)
4 A rise in price made ahead of time (7)
6 Throw a mesh over pole for rattlers (9)
7 Near orgy arranged in fruit orchard (8)
8 Deal out just a little, being dismal (8)
11 Put back in print some of the first études (4)
15 Late part resurrected could be a pitfall (5-4)
17 Put down drink with reporters (8)
18 Fasten flower in a tree (8)
20 A Gentile put up for physical and mental disciplines (4)
21 Give comfort to the cabinet (7)
22 Park indoors wherein fish mature (6)
23 Lean from pub in the blue (6)
26 Bird to kill it (5)

Solution to Puzzle No. 4,378



TV/Radio

BBC 1

† Indicates programme in black and white

9.15 am Buford Files and Dinky Dog. 9.35 The Flashing Blade. 10.00 Athlete. 10.25 The New Adventures of Batman. 10.52 Weather. 10.55 Golf: The Haig Whisky Tournament Players' Championship from Moortown, Leeds.
12.30 pm Grandstand: 12.35 Football Focus; 1.05 Golf: The Haig Whisky Championship; 1.30 Boxing: British Light-middleweight Championship—Pat Thomas (Cardiff) v Steven Hopkin (Ely); Racing from Newbury (1.50, 2.20, 2.50, 3.20); Darts (2.05, 2.35) Unipart World Team Matchplay (Final); Athletics (3.10, 4.30) GRE Gold and Jubilee Cups Finals; Rugby Union (3.45): Wales v An Overseas XV; 4.40 Final Score.
5.10 The Jukes of Hazzard.
6.00 News.
6.10 Sport/Regional News.
6.15 Dr. Who.
6.40 Larry Grayson's Generation Game.
7.35 Juliet Bravo.
8.25 The Paul Daniels Magic Show.
9.05 News and Sport.
9.20 The Saturday Film: "The Cheyenne Social Club" starring James Stewart.
11.00 Parkinson.
12.00 Boxing: Bantamweight Championship of the World.

All Regions as BBC1 except as follows:

BBC Cymru/Wales—6.10-6.15 pm Sports News Wales. 12.50 am News and Weather for Wales.

Scotland—4.55-5.10 pm Scoreboard. 6.10-6.15 Scoreboard. 12.50 am News and Weather for Scotland.

Northern Ireland—5.00-5.10 pm Scoreboard. 6.10-6.15 Northern Ireland News: Sport. 12.50 am News and Weather for Northern Ireland.

England—6.10-6.15 pm (South-West only) Saturday Spotlight.

BBC 2

7.40 am-1.05 pm Open University.
1.20 Saturday Cinema Double Bill: "Sugarfoot" starring Randolph Scott.
2.40 Saturday Cinema Double Bill: "Man Behind the Gun" starring Randolph Scott.
4.00 Golf: Haig Whisky Tournament Players' Championship.
5.10 Darts: Unipart World Team Matchplay (Final).
6.50 Home Ground.
7.20 News and Sport.
7.35 Rugby Special.
8.25 We, the Accused.
9.15 Offenbach's "La Périchole."
11.05 News On 2.
11.10 Darts: Unipart World Team Matchplay (highlights).
12.00 Golf highlights.

LONDON

8.35 am Sesame Street. 9.35 BJ and the Bear. 10.30 Tiswas.
12.30 pm World of Sport: 12.35 On the Ball; 1.00 International Sports Special (Part 1) Rallylog — Rothmans Manx International Rally; 1.15 News; 1.20 The ITV Seven—1.30, 2.00, 2.30 and 3.00 from Ayr; 1.45, 2.15 and 2.45 from Catterick; 3.10 International Sports Special (Part 2) Drag Racing—International World Finals from Santa Pod, Bedfordshire plus Speedway—World Long Track Championship Final from West Germany; 3.50 Half-time Soccer Round-up; 4.00 Wrestling; 4.50 Results Service.
5.05 News.
5.15 Metal Mickey.
5.45 Buck Rogers in the 25th Century.
6.45 Up for the Cup.
7.30 "Snowbeast" (TV Movie—1977).
9.15 Hammer House of Horror.
10.15 News.
10.30 The Big Match presented by Brian Moore with Jim Rosenthal.
11.45 Pro-Celebrity Snooker.
12.30 am Close: Personal choice with Lord George Brown.

All IBA Regions as London except at the following times:

ANGLIA

9.25 am The Beachcombers. 9.50 Rocket Robin Hood. 10.10 Fangface. 10.30 pm Match of the Week presented by Steve Rider with match commentary and analysis from Gerry Harrison. 11.30 Paris. 12.25 am The Late Debate.

ATV

9.10 am Play Squash Jonah's Way. 9.35 Home Produced. 10.00 The Adventures of Black Beauty. 10.30 pm Star Soccer. 11.45 The Late Movie: "Virginity," starring Vittorio Gassman.

BORDER

9.10 am Play Squash Jonah's Way. 9.30 Home Produced. 10.00 Call It Macaroni. 10.30 pm Shoot. 11.40 Musical Special (Anne Murray).

CHANNEL

5.15 pm Puffin's Pla(i)ce. 11.45 pm Portrait of the Artist. 12.00 Next Step Beyond.

GRAMPIAN

9.30 am The Lost Islands. 10.00 The Adventures of Black Beauty. 10.30 pm Scotsport. 11.30 Paris. 12.25 am Reflections.

GRANADA

9.30 am A Big Country. 10.00 Cartoon. 10.05 Batman. 10.30 pm Match Night. 11.45 The Hollywood Thriller: "Hell on Frisco Bay," starring Alan Ladd.

HTV

9.10 am Home Produced. 9.35 Beachcombers. 10.00 The Undersea Adventures of Captain Nemo. 10.05 Batman. 5.13 pm HTV News. 11.45 Paris.

HTV Cymru/Wales—As HTV West/HTV General Service except: 5.15-5.45 pm Ser Oroe Gymru O Lanberis.

SCOTTISH

9.15 am Cuir Car. 9.40 Charlie's Angels. 10.30 pm Scotsport. 11.30 Late Call. 11.35 Quincy.

SOUTHERN

5.00 am Sesame Street. 10.00 The Beachcombers. 10.27 Regional Weather Forecast. 11.45 pm Southern News. 11.50 Pro-Celebrity Snooker.

TYNE TEES

9.00 am Saturday Shake-up. 9.05 Solo One. 9.30 Saturday Shake-up. 9.40 Saturday Morning Movie: "Thunderbirds Are Go." 11.00 Saturday Shake-up. 11.20 240 Robert. 12.20 pm Saturday Shake-up. 10.30 pm Shoot! introduced by George Taylor. 11.40 The Streets of San Francisco. 12.30 am Three's Company.

ULSTER

9.30 am A Big Country. 10.00 Bailey's Bird. 10.25 The Bubblies. 10.30 Tarzan. 11.20 Cartoon Time. 11.30 Sesame Street. 5.00 pm Sports Results. 5.13 Ulster News. 10.29 Ulster Weather. 11.45 The Odd Couple. 12.10 am Bedtime.

WESTWARD

†9.30 am Laurel and Hardy in "Flying Elephants." 9.55 Look and See. 10.00 Spiderman. 10.25 Gus Honeybun's Birthdays. 12.27 pm Westward News. 6.14 Westward News and Scoreline. 11.45 The West Tonight. 12.00 Next Step Beyond. 12.25 am Faith for Life. 12.30 West Country Weather and Shipping Forecast.

YORKSHIRE

9.00 am One Step Ahead. 9.25 The Fantastic Four. 9.40 BJ and the Bear. 10.30 pm The Big Game: Derek Dougan presents highlights from a top local game, plus action of other matches around the country. 11.45 The Palace Presents, hosted by Jack Jones, with guest star Ethel Merman.

RADIO 1

(S) Stereophonic broadcast
‡ Medium wave.

5.00 am As Radio 2. 7.03 Playground. 9.00 Tony Blackburn with Junior Choice. 10.00 Steve Wright. 1.00 pm Adrian Juste (S). 2.00 A King in New York (S). 2.05 Paul Gambaccini (S). 4.00-7.30 Rock on Saturday (S).

RADIO 2

5.00 am News Summary. 5.02 Tom Edwards (S). 8.06 David Jacobs with Star Sounds on record (S). 10.02 Pete Murray's Saturday Show (S). 1.02 pm Roy Castle in "Castle's on the Air." 1.30 Sport on 2: Football League Special (1.30, 2.00, 2.40, 3.10, 3.55, 4.42, 5.00, 5.50); Rugby Union (1.30, 2.00, 3.10, 3.40, 4.50, 5.25) Wales v. An Overseas XV; Racing from Newbury (1.30, 2.25, 2.55, 3.25, 4.50); 5.00 Sports Report: 5.00 Classified Soccer results; 5.25 Rugby round-up; 5.45 Racing results; 5.50 Latecomers' Soccer check. 6.03 Pop Over Europe. 7.02 Three in a Row. 7.30 Big Band Special (S). 8.02 Saturday Night is Gala Night (S). 10.02 The King's Collection with The King's Singers (S). 10.30 Band Parade (S). 11.02 Sports Desk. 11.10 Bob Kilbey with The Late Show (S), including 12.00 News. 2.02-5.00 am You and the Night and the Music (S).

RADIO 3

‡7.55 am Weather. 8.00 News. 8.05 Aubade (S). 9.00 News. 9.05 Record Review (S). 10.15 Stereo Release (S). 11.15 Bandstand (S). 11.45 I Know What I Like: Richard Hore with records (S). 1.00 pm News. 1.05 Mozart and Debussy chamber music recital (S). 2.00 Netbig Conducts Bruckner (S). 3.25 Julian Bream Consort (S). 4.25 Peter Frankl: Piano music by Schumann (S). 5.00 Jazz Record Requests (S). 5.45 Critics' Forum. 6.35 The Organ Works of J. S. Bach (S). 7.10 A Job for the Silversmith (story by John Wain). 7.45 "Il Ritorno Di Tobia," Oratorio by Haydn, part 1 (S). 9.10 Building on the Horizontal (talk on modern architecture). 9.30 "Il Ritorno Di Tobia," part 2 (S). 11.00 News. 11.05-11.15 Quiet City: Music by Aaron Copland (S).

VHF Only—Open University: 6.00-8.00 am and for students in Radio Scotland and Radio Cymru areas only.

RADIO 4

6.25 am Shipping forecast. 6.30 News. 6.32 Farming Today. 6.50 Yours Faithfully. 6.55 Weather; programme news. 7.00 News. 7.10 On Your Farm. 7.40 Today's Papers. 7.45 Yours Faithfully. 7.50 It's a Bargain. 7.55 Weather; programme news. 8.00 News. 8.10 Sport on 4. 8.46 Today's Papers. 8.50 Breakaway. 9.00 News. 9.50 News Stand. 10.05 Talking Politics. 10.30 Daily Service (S). 10.45 Pick of the Week (S). 11.35 From Our Own Correspondent. 12.00 News. 12.02 pm Marriage Matters. 12.27 The Burkiss Way (S). 12.55 Weather; programme news. 1.00 News. 1.10 Any Questions? 1.55 Shipping forecast. 2.00 News. 2.05 Wildlife. 2.30 "The Golden Bowl" by Henry James. 3.25 Join Radio 3. 5.00 Getting Together. 5.25 Week Ending. 5.50 Shipping forecast. 5.55 Weather; programme news. 6.00 News. 6.15 Desert Island Discs. 6.55 A Word in Edgeways. 7.35 Johnny Morris with records (S). 8.30 Saturday Night Theatre: "The Idiot Lady" by Lope de Vega. 9.58 Weather. 10.00 News. 10.15 A Portrait of Richard Hillery—Battle of Britain Pilot. 11.00 Lighten Our Darkness. 11.15 Raikes' Progress (S). 12.00 News.

BBC Radio London

5.00 am As Radio 2. 7.32 Good Fishing. 8.00 News; weather; traffic; sport. 8.16 Weekend What's On. 8.30 Bob Powel's London Country. 10.03 Stuart Colman's Echoes. 11.30 The Robbie Vincent Show. 2.00 pm Time Off. 3.00-6.00 am Join Radio 2.

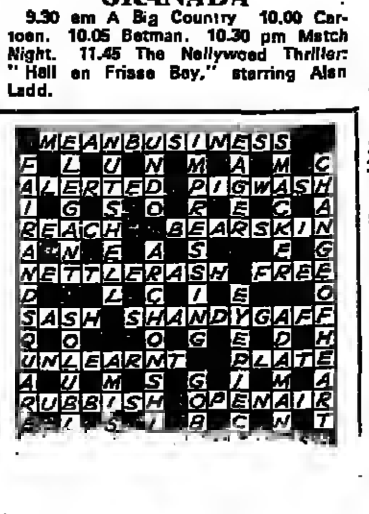
London Broadcasting

7.00 am AM—Des Fahy. 10.00 Jellybone. 12.00 LBC Reports. 1.00 pm Sportswatch. 6.00 LBC Reports. 7.00 Geet Mole. 8.00 Network. 9.00 The London Interview. 10.00 Nightline. 1.00 am Night Extra. 4.00 Hayes on Sunday. 4.30 Decision Makers. 5.00 Morning Music.

Capital Radio

5.00 am Kerry Juby's Breakfast Show (S). 9.00 Capital Countdown with Graham Dene (S). 12.00 "Cash Country" with Dave Cash (S). 2.00 pm Duncan Johnson's Afternoon Delight (S). 6.00 Greg Edwards's Soul Spectrum (S). 8.00 Nicky Horne's Six of the Best (S). 11.00 "Roots Rockers" with David Rodigan (S). 1.00 am After Midnight with Richard Allinson (S). 4.00 am The Collection (Classical Music) (S).

Solution and winners of Puzzle No. 4,373



Mr. L. Fraser, 35 Dalvenie Road, Banchory, Grampian AB3 3UX.

Mr. B. G. Perry, 34 Greenway Lane, Budleigh Salterton, Devon EX9 6SJ.

Mrs. P. Wilkinson, 224 Seal Road, Sevenoaks, Kent. TN15 0AA.

TV RATINGS w/e Sept. 14

UK TOP TWENTY (viewers m)

1	The Morecambe and Wise Show (Thms.)	18.00
2	Cowboys (Thms.)	18.05
3	Coronation St. (Wed.) (Gran.)	15.70
4	Just Liz (Thms.)	15.20
5	Keep It In The Family (Thms.)	14.60
6	Coronation St. (Mon.) Gran.)	14.35
7	Larry Grayson's Generation Game (BBC)	14.25
8	The Return Of The Pink Panther (ITV)	14.16
9	Blankety Blank (BBC)	13.45
10	Crossroads (Tues.) (ATV)	13.40
11	Juliet Bravo (BBC)	13.35
12	The Paul Daniels Magic Show (BBC)	13.00
13	Hammer House Of Horror (ATV)	12.65
14	Crossroads (Wed.) (ATV)	12.35
15	Give Us A Clue (Thms.)	12.30
15	Hart Of The Yard (ITV)	12.15
17	Yes Minister (BBC)	12.05
18	Play Your Cards Right (LWT)	11.85
19	Arthur C. Clarke's Mysterious World (Yorks.)	11.80
20	The Professionals (LWT)	11.70

Figures prepared by Audits of Great Britain for the Joint Industry Committee for Television Advertising Research (JICTAR).

CHESS SOLUTIONS

Solution of Position No. 338

Instead of agreeing the draw White could win a vital pawn and the game by 3 BxKP and if PxB? 4 Q-B8 ch, RxQ; 5 RxR ch, B-N1; 6 RxB mate.

Solution of Problem No. 338

1 R-R5, P-K5; 2 Q-B5 ch, KxQ; 3 N-Q4 mate.

COLLECTING

Applying artistry to objects in everyday use

BY JANET MARSH

THE ARTS and Crafts movement of the late nineteenth century, a forceful reaction against the stultifying effects upon Victorian design of massive industrialisation, seems to have owed not a little of its force to eccentrics and dilettantes.

William Morris, William de Morgan and the Martin Brothers, in their varying degrees, would certainly qualify for the first category. Harold Rathbone, founder of the Della Robbia Pottery Company of Birkenhead, aems to have been a bit of both.

Like Morris and unlike the Martin brothers, he came from a comfortabla middle-class background. His father, a traveller and connnisseur, belonged to a wealthy Liverpool merchant family, was an alderman on the city council, and a friend of Ruskin and Whistler, who both stayed with the Rathbones in Liverpool. Harold Steward, his eldest son, was born in 1858, and trained in art at the celebrated Heatherleys' School and at the Slade.

As a student under Ford Madox Brown, Harold Rathbone worked on the frescoes for Manchester Town Hall, and modelled for the head of John of Gaunt in one of the paintings. Later he studied in Paris and exhibited there. He frequently showed his work at the Walker Art Gallery, Liverpool, of which bis father was chairman.

In 1893, when he was 35, Rathbone decided to establish a pottery, with the aim of "applying artistie qualities to objects of everyday use." The company was formed with a capital of £5,000 and a controlling artistic council that included Rathbone's father, William Holman Hunt and G. F. Watts.

The enterprise was named the Della Robbia Pottery Company in honour of the great Florentine family of sculptors who had developed the art of modelling in coloured tin glazed ceramic ware.

Rathbone was no doubt influenced in his choice of name by pride in possession of an original ceramic plaque from the studio of Andrea Della Robbia; but generally, the mood of Pre-Raphaelism and Victorian historicism had resulted in a rediscovery of the old Italian traditions of *majolica*. In England Mintons had begun a craze for their own particular adaptation of the *majolica* style; and in Germany the Royal Porcelain factory took it up.

In Italy the Doccia factory and the Cantagalli factory (with which William De Morgan had some association) dedicated themselves to more faithful reproductions of the old styles than Minton's exuberant reinterpretations.

In fact, comparatively little of the Della Robbia Company's general production was directly inspired by *Italian majolica*. Rathbone believed in the individual expression of the individual artist, and in consequence the styles of the smaller and less expensive ware were eclectic, ranging from Isnik influences to high *art nouveau*, and favouring the currently voguish Celtic style. The palette, however, with the distinctive turquoise dominating, was consistent.

The area in which the products of the firm most nearly approximated to the work of the artists who gave the enterprise its name, was in the architectural dapartment, which was dedicated to the production of plaques and architectural ornaments for buildings, and such individual productions as a fountain which once graced the courtyard of the Savoy Hotel.

There is to be a rare chance to see about one hundred selected examples of Della Robbia Ware, along with documentary photographs, in an exhibition at Jeremy Cooper's galleries at 9 Galen Place, Bury Place, W.C.1, between September 30 and October 18.

This appears to be the first selling exhibition of Della Robbia pottery since the demise of the firm in 1906, and the small but valuable catalogue compiled by Mr. Cooper and his assistants, Victoria Cecil and Jonathan Baddeley, brings together much scattered documentation on the history of the works to make a comprehensive history. In particular Miss Cecil and Mr. Baddeley have sought out reminiscences of former factory employees. One of them, John Fogo, is still living today at the age of 95.

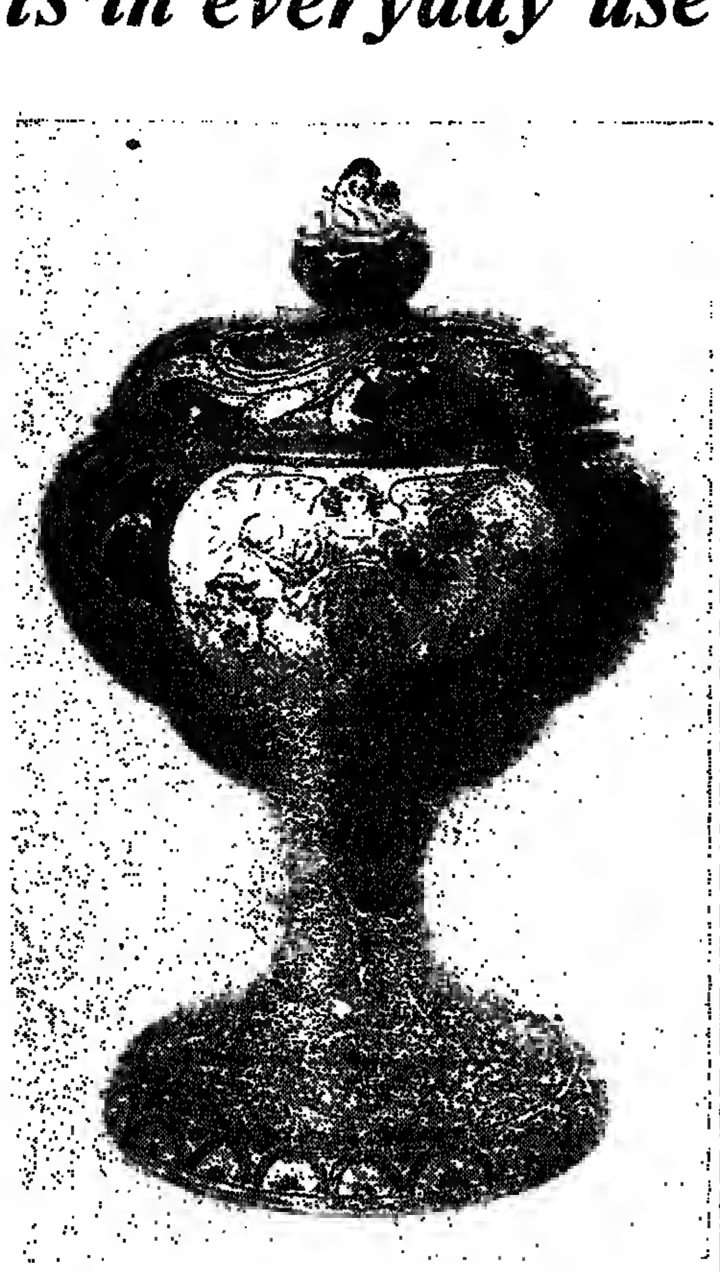
From these collected reminiscences, Rathbone emerges as a somewhat impetuous and distinctly impractical man. He is remembered as whirling into the workshops, starting the decoration of a piece of pottery and then dashing out leaving it unfinished. He clearly had a weakness for the "artistic young ladies" that the firm boasted, and is known to have married one of them and broken the heart of another.

The frontispiece of the catalogue is a portrait of Rathbone by William Holman Hunt, painted in the year that the Della Robbia factory was founded. It shows a lean young man, with short hair drifting over his forehead, big romantic eyes, trim beard and very little sign of humour.

His employees were modestly paid, but as a result of Rathbone's capricious methods of pricing, or of refusing to sell works which he thought were too good for the customers, the factory hit on harder and harder times. In the later days employees had to be paid with pieces from the stock; and in 1906 the Della Robbia Pottery Company went into liquidation.

Rathbone continued to paint and exhibited regularly at the Walker Gallery. In 1909 his collection of fine art was sold, and he moved with his wife and son, whom he had blessed with the name of Gabriel Della Robbia Rathbone, to the Isle of Man where he died quite forgotten, in 1909.

No doubt he was consoled by the thought that he had made his own small but colourful contribution to the visual appreciation of the new century, and by memories of the brief glories of the Della Robbia enterprise, when Sarah Bernhardt and Paderewski had rhapsodised over his exhibitions, and he had enjoyed the successive patronage of Queen Victoria and Edward VII.



Casandia Ann Walkor chalice with stylised leaf and flower decoration c. 1903. Height 40.8 cms.

Stanley Spencer—swans or geese?

In case it may have escaped your notice let me remind you that this is Stanley Spencer Fortnight. A vast exhibition of his work has just opened at the Royal Academy, the first retrospective exhibition since his death in 1959. Television presented an Arts Council film about him introduced by Sir Hugh Casson last Sunday. The newspaper sponsoring the exhibition has been filling its Colour Section with reproductions of paintings by "the Sublime Eccentric"; and radio has given us a portrait of him in sound, *Angels or Dirt*, narrated by Edward Lucie-Smith and directed by Judith Bumpus (Radio 3, September 12). The exhibition will be discussed on the Arts Page by William Packer. Meanwhile let us consider the lineaments of the artist's personality traced so fully in the radio programme.

It was not the first time that radio has dealt at some length with Spencer. In May 1975, the BBC broadcast *The Cookham Resurrection*, a remarkable play by Peter Everett, who attempted with the help of the actor Donald Pleasence, to enter the mind of an artist whose private fantasies and fetishism became so curiously blended with his visions of the happy crowd and the sanctity of work. This new programme, while by no means avoiding the darker side of Spencer's nature, dealt with it, and the sunnier aspects, objectively, drawing on the testimony of family and friends, including many residents of the village of Cookham.

One of the most enligbtening was the Queen's Swan-keeper, Capt. John Turk, who thought of Spencer as a Cookham man, "truly one of us." As he said this you could hear the sound of the Thames overlaid by the bells of Holy Trinity Church, Cookham.

The Captain recalled the picture, "Swan-upping" (to be seen in the exhibition) painted at a spot not 20 yards from where he was speaking, and inspired by his own father performing this ceremony on the royal birds.

The adoption by Spencer of Swans as figures in several of his Cookham canvases is a perfect example of the way in which aspects of the local scene, without any apparent assertion on his part, acquired a numinous intensity in the finished picture. He was not so much a symbolist as a literalist: hence his perfectly naive but wonderful picture of the dead opening the lids of their coffins at the Resurrection and climbing serenely out of them.

He aimed at a kind of Chaucerian acceptance of all life and spent some time, it emerged, rummaging about in dustbins, finding subjects among the garbage. One lady in the programme spoke of the experience of having her portrait painted by Spencer, and the infinite slowness with which he worked; which is remarkable when you consider the size and scope of the exhibition. At last when she thought he had finished he turned to her and said "Now I must ugly you."

Unlike many artists he liked to explain his pictures and to talk in general terms about Life. We heard a snatch or two of his genial dogmatic utterance, tinged with Cockney, from the sound archive. Another speaker, Lois Colles, whose father wrote the first biography of Spencer, confessed to finding his non-stop expositions rather tiresome.

After this wealth of personal recollection from people who knew Spencer well, the programme touched fleetingly on his significance as a painter. His reputation does not extend as yet very far beyond these shores, and even here there are still some widely diverse assessments of his importance. We heard dedicated Spencerians like Carel Weight and Graham Ovenden making a case for him as a painter of people in groups and a man of visionary genius, followed by John Willett attempting to cut him down to size in the light of his contemporaries on the Continent. Happily, for the next few weeks, we can all test these opinions for ourselves by paying a visit to Burlington House.

RADIO

ANTHONY CURTIS

It is not every day that listeners have the opportunity of quizzing the Director-General of the BBC but in this week's *Tuesday Call* (Radio 4 UK, September 16) the subject was the BBC with Sir Ian Trethowan to answer the 'phoners-in. He strongly resisted the idea of advertising revenue to prop up the BBC's services, but at the same time defended saturation coverage of events like the *Presidential nominations*. Sir Ian began his career as a political reporter and interviewer and as his performance made clear he has lost none of the disarming, plausible fluency of his earlier trade.

CHESS

LEONARD BARDEN

It is only a decade since Britain was a second or third rate power in international chess. The advance of recent years has been so rapid that it is hard to credit that this country is now poised to become the major rival to the USSR's long-standing supremacy in the 1980s.

Tony Miles's rise to near the top of the world rankings and the England team's bronze medals at the European championship show the potential; and it is supported by results from two major competitions earlier this month.

At the junior (under 20) world championship at Dortmund, Nigel Short won the silver medal behind the Russian favourite Kasparov; while at Mexico City in the world youth (under 26) team championship England, winners of the inaugural title in 1978, finished runners-up to a reinforced Soviet team. The also-rans included 43 other nations in Dortmund and 23 other countries in Mexico.

Kasparov is already, at 17, the winner of two grandmaster tournaments and widely compared to the young Bobby Fischer. He led from start to finish at Dortmund and justified the belief that he is being groomed as the eventual successor to Karpov for the senior world championship. His USSR predecessors for the junior title include both Karpov and Boris Spassky. He scored an unbeaten 10½ out of 13, ahead of Nigel Short, 9, and boys from Romania, West Germany and Chile on 8½.

There was a question mark over how Short, now aged 15, would perform following the Phillips and Drew Kings where he finished last in an elite GM event. Phillips and Drew and our other stockbroker chess sponsors, Grieveson Grant supported Nigel in Dortmund by arranging for John Nunn, the Hastings winner and joint Grieveson Grant British champion, to accompany him as manager-coach. Short began slowly but improved in the later rounds, beat his U.S. rival Joel Benjamin, and recovered from an inferior opening to draw with Kasparov.

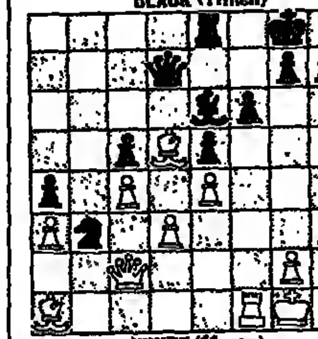
White: Nigel Short (England). Black: Gary Kasparov (USSR). Sicilian Defence (World Junior 1980).

1 P-K4, P-QB4; 2 N-KB3, P-K3; 3 P-B3, P-Q4; 4 PxP, PxP; 5 P-Q4, B-Q3; 6 B-K3? (better B-K2 or B-N5 ch), P-B5! 7 P-QN3, PxP; 8 PxP, N-K2; 9 P-B4, QN-B3; 10 P-B5, B-B2; 11 N-B3, O-O; 12 B-Q3, B-B4; 13 O-O, Q-Q2; 14 R-R4, P-QR4 (Black has better piece co-ordination and chances of a Q-side pawn majority, so White must defend carefully): 15 N-K1, P-QN3; 16 N-N5, N-N5; 17 NxB, QxN; 18 BxB, NxB; 19 N-Q3, P-QN4; 20 R-R1 (Nunn thought White could have sacrificed by 20 NxN1, N-B3; 21 Q-N4, Q-Q2; 22 KR-K1, P-B3; 23 N-B4, R-B2; 24 Q-K2, P-N5; 25 Q-Q3, R-K1; 26 N-K2, R(B2)-K2; 27 B-Q2, P-R4 (Black advances over the whole board, and White's bishop is passive): 28 P-B3, P-KR5; 29 K-B2, P-N4; 30 QR-Q1, K-N2; 31 B-B1, N-R3; 32 N-N1, Q-B4? (it is difficult to make real progress, but the queen exchange relieves the pressure on White's game); 33 RxR ch, RxR; 34 QxQ, NxQ; 35 N-K2, P-R5; 36 PxP, R-R2; 37 P-N4, PxP ep ch; 38 PxP, RxP; 39 P-N4, N-R5; 40 P-B4! (now White has equalised), R-R7, draw agreed. Nigel can even win a pawn, but Kasparov's passed QNP is good compensation.

The Russians sent a powerful team to Mexico including three world or European junior champions. England had four of the gold medal team of 1978, but only Mestel (9½/12 on board two) was in his best form, and the USSR won with 27 out of 36, ahead of England 21½, Argentina 20, Colombia 19. Scotland were a creditable seventh in the finals with 17 points, tied with Cuba and in front of China and the United States.

Position No. 338

BLACK (11men)

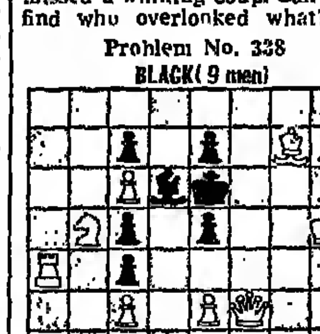


WHITE (11men)

S. J. B. Knott v B. Cafferty. Grieveson Grant British Championship 1980. The game continued from this diagram 1 B-B3,K-R1; 2 Q-KB2,R-QN1 and the players agreed to a draw, seeing no realistic breakthrough chance for either side. But somewhere during this move sequence one of them missed a winning coup. Can you find who overlooked what?

Problem No. 338

BLACK(9 men)



WHITE(8 men)

White mates in three moves at latest, against any defence (by H. Muser). Basically this is a rather simple problem—but fail to spot the idea and you can be at work for hours. Of course 1 P-K4?? is no solution but an immediate draw by stalemate.

Solutions Page 14

BRIDGE

E. P. C. COTTER

Catchpoints

In a recent duplicate pairs in which I was playing with Judy Stelman, two hands seemed worthy of record. Hare is the first:

N
♠ 9 5 4
♡ Q J
♢ A 9 8 7 4 3
♣ 6 5

W
♠ K 8 6 3
♡ 6 5 2
♢ K 5
♣ 7 4 3 2

E
♠ A 7
♡ K 9 4 3
♢ Q J 10 6
♣ A J 9

S
♠ Q J 10 2
♡ A 10 8 7
♢ 2
♣ K Q 10 8

East dealt at game to North-South and opened the bidding with one diamond, I, in the South seat, doubled, and West said one spade. Whatever the merits or demerits of West's action, this would have made it difficult for me if my partner passes. As it was, full of trust and the fighting spirit, she made the somewhat unorthodox bid of one no trump. When this was passed up to me, I bid two spades, a bid I would not have dared to make with some partners, and this became the final contract.

I won West's diamond King with dummy's Ace, ran the heart Queen which held, and continued with the Knave, which was also allowed to win. I switched to the club five, and East, seeing that I could discard dummy's other club on the heart Ace; at once played her Ace, and switched to Ace and another trump. West took the second lead and led a third spade. I won and drew West's remaining trump. The contract was safe—could I make any overtricks? The club Knave fell when I cashed the King and Queen, but the heart King, as I expected, did not fall. However, 140 points for two spades plus one proved to be the second best score, beaten only by one North-South pair who had bid *three* no trumps and had been allowed to make it.

It was fortunate for us that the bidding sequence allowed us to reach a spade contract. If East opens with one heart or one no trump, East-West may buy the contract in one no trump, and lose a mere 50 points.

Here we see typical match point tactics in a competitive situation:

N
♠ 10 8 7 2
♡ 10 6 2
♢ Q 9
♣ K Q 8 5

W
♠ K Q 6
♡ 8 7 5 4
♢ K 10 6 3
♣ J 9

E
♠ 3
♡ K 9 3
♢ A J 8 4 2
♣ A 10 7 6

S
♠ A J 9 5 4
♡ A Q J
♢ 7 5
♣ 4 3 2

I have altered the positions for convenience. With East-West vulnerable my partner, sitting East, dealt and bid one diamond, South said one spade, and I raised to two diamonds, North said two spades, East said three diamonds, and South competed with three spades.

Whatever one does at rubber bridge, it is obligatory at match-pointed pairs not to allow the opponents to play quietly in three spades, so I doubled, and all passed. I led the diamond three, East took her Ace and returned the four to my King. I switched to the Knave of clubs, dummy's Queen covered, and East correctly allowed it to win, dropping an encouraging seven. The spade ten was returned from the table. I won with the Queen, and led the nine of clubs, dummy played low, and my partner won with the ten. She then cashed the Ace, and switched to the three of hearts. The declarer finessed, cashed her Ace of trumps, and conceded one trick to my King of trumps, for a penalty of 300 points. This again was the second best score—again one pair with our cards had reached three no trumps on a combined 21 points, and with everything right had made a contract which could have been defeated.

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Saturday September 20 1980

Looking glass economics

MRS. THATCHER is reported to be in a rage, and it is not surprising. Measures designed to produce a measured squeeze through monetary control have apparently resulted in a manufacturing slump and a monetary explosion. The Government is under attack from the right as well as the left. The CBI Council, which seldom pronounced on anything as a body, has called for a cut in interest rates to relieve the private sector of intolerable burdens. There are calls for both higher and lower taxes. The Cabinet is glumly sitting tight.

Momentum

The Government's central difficulty is clear. There can no longer be much doubt about the seriousness of the slump in manufacturing activity and in profits. The closures continue relentlessly, and we are into the season when the announcement of company results is bringing home to the markets the reality of the profits collapse so correctly forecast by the National Institute and the Bank of England, among many others. The financial markets are now the scene of a tug-of-war between the forces of money and the forces of reality. There are enough funds available to keep share prices moving up, but the realities suggest they should fall. Every few days the market's momentum is interrupted by more bad news, with GKN now playing the former role of ICI; between news items, money rules again.

Explanation

Elsewhere in the economy, however, there is no sign at all of a flood of money. Retail sales stagnate, the house market is near a standstill. One possible explanation is that the rise in the retail price index understates the rise in the cost of living, since it is unavoidable charges — mortgage payments, rents, rates, fares and fuel— which have risen most steeply. Equally, of course, the fear of unemployment, now facing people in many previously sheltered occupations, is breeding a deep caution about spending. Money piles up in bank accounts rather than circulating; traders, short of sales, are forced to borrow more. Thus one strong reason for a rising money supply is that it represents a peak of savings and distress borrowing—an effect of slump rather than of boom. The financial markets are flush, but goods, in spite of price cuts, sit on the shelves.

Monetary economists have always been aware of this effect, which is why they have always laid stress on the long-term growth of the money supply rather than its growth month by month. When the system gets out of balance, debits and credits tend to pile up, and it is only the change between one state of reasonable balance and another which has any real economic message. Unfortunately, however, the economy is not the only thing out of balance. The banking system is also undergoing a convulsion which makes it very difficult to find any underlying meaning in its figures.

Some of the distortions caused by the corset regulations were well known—for example, the "bill leak," through which bankers kept within their limits by under-writing commercial bills rather than making loans. With the end of the regulations, it was expected that banks would buy in these bills.

Suggestions

It is now becoming clear that this was only a small part of the story. The corset restricted deposit-taking rather than lending, and the banks evidently continued to finance much lending—lending required to save their customers from bankruptcy—by selling a large part of their normal portfolio of financial investments. In July they started rebuilding this portfolio—which is why large sales of gilts did little to check the growth of the money supply. However, they have also been forced to borrow heavily from the Bank of England, to the tune of more than £2bn, to sustain their lending in recent months. They will still be seeking deposits to repay these official loans, and perhaps to make further investments.

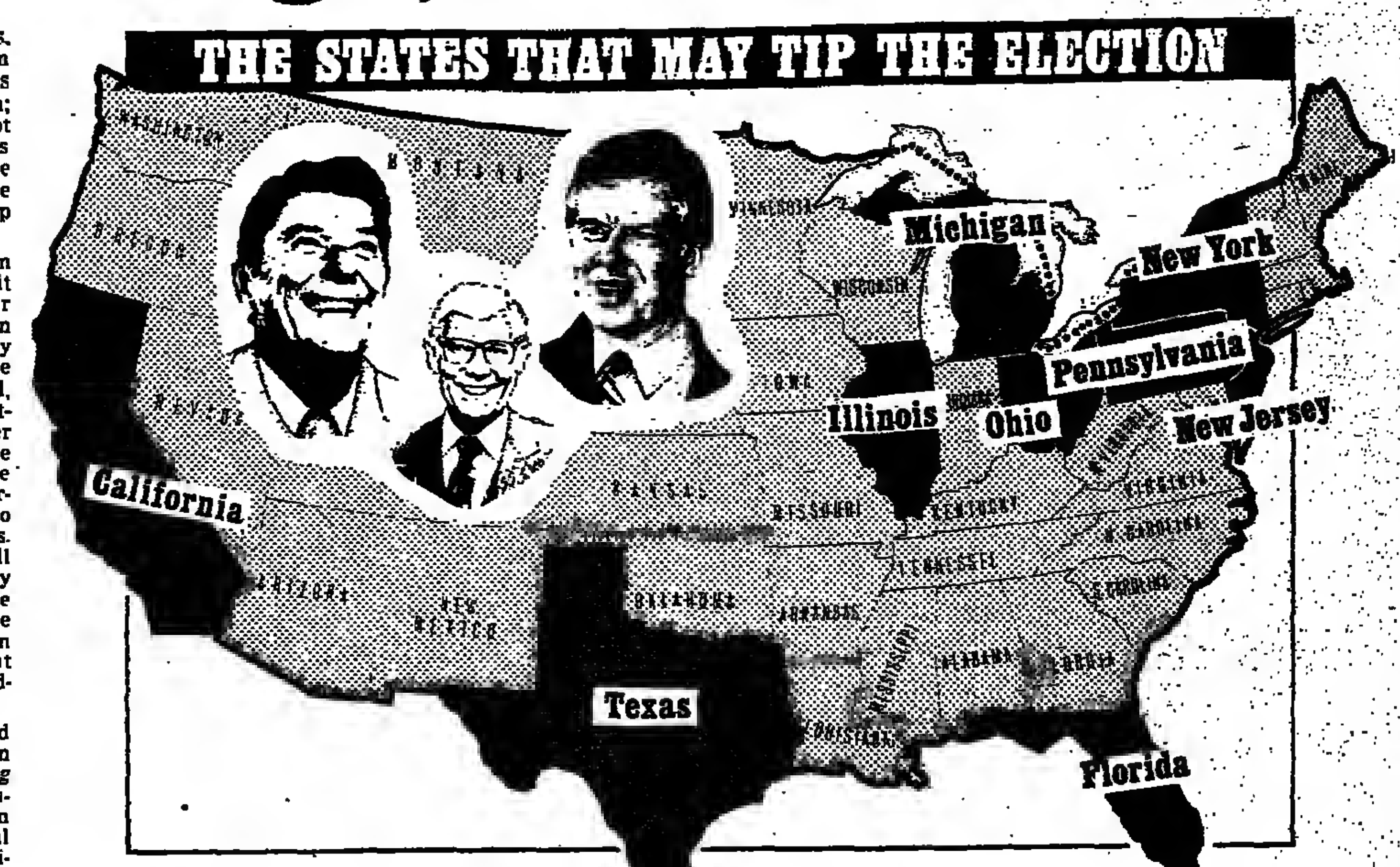
The unanswerable question of the moment is how much all this matters. The Bank of England lives in the hope that falling inflation, falling interest rates, and belated success in selling off inflated stocks of goods will enable industry to repay some of its borrowing, and that perhaps a larger take from national savings will create a market in which further loans can be funded through debentures and rights issues. The money supply could then fall in the same contrary way in which it rose.

Borrowing

No-one is sure of this cheerful possibility, however, and meanwhile the air is thick with suggestions for policies which seem to come straight from a looking-glass world. Those who concentrate on excessive Government borrowing call for a tax increase to stimulate the real economy. Others suggest a cut in interest rates to reduce credit growth. A former Heath adviser, in a City circular, commends an old-style dash for growth. It is likely to be some time before the fog clears.

Jurek Martin reports from Washington on the U.S. election

The intangible factor in a tough, mean campaign



WITH six rounds, or weeks, to go, the American presidential contest is tough, mean, dirty and even; the third man in the ring is not the referee; and what happens out of immediate range of the flailing fists could determine who eventually has his hand up in triumph.

Not since the Kennedy-Nixon confrontation of 1960 has it been so hard to pick a winner so late in the game. Even in 1968 and 1976, both ultimately close-contests, the rallies of the losers, Humphrey and Ford, came too late to affect an outcome settled in much earlier rounds. Not for a long time have the final judges, the American public, been so uncertain in their opinions and so disenchanted with the options. As it currently stands, they will not even have the opportunity of sizing up the merits of the contenders face-to-face, for the first televised debate between the candidates tomorrow night will be staged with the defending champion elsewhere.

Already the self-appointed opinion-makers in Washington and *New York are wringing* their hands over the probability that this election, in which important philosophical differences divide the candidates, will be determined without the elevated discourse on the great issues of the moment they feel is desirable. They forget that it is often thus: Truman came from behind to beat Dewey in 1948 not through force of argument, but through hard-nosed blunt politicking. Kennedy and Nixon were mostly involved in trying to "out-hawk" each other (over Quemoy and Matsu) in 1960. Ford's slip of the tongue over who really controlled eastern Europe in 1976 was hardly th eover-riding issue of that year.

American presidential elections, in fact, tend to be decided by public perception of the character of the contenders. This is accentuated in 1980 by the palpable decline in the power of political parties and by the enhanced role of the media, *above all television*, in shaping these public perceptions. Subsidiary to this factor, but critical in any close race, is a complex set of elements, such as the state of the economy and foreign policy, regional shifts in power, the quality of campaign organisations, the mood of the country, and at least one which is immutable, the Electoral College system of electing a president.

But in a society such as the U.S., which has always lavished attention on its leaders, *it is* the personality of the candidate, as seen by the public at large, which is the most important.

Already this year, there has been something of a role reversal with the two principal contenders, Jimmy Carter and Ronald Reagan. Mr. Carter's success in 1976 was partly attributable to the moralistic strain that underpinned his campaign; indeed, some of the troubles of his Presidency may be explained by his excessive application of this *same* philosophical approach. But his campaign was also thoroughly professional and he had made a very close study of electoral politics.

In 1980, the professionalism persists: whatever its other defects, the Carter "clique" knows how to win elections. Mr. *Hamilton Jordan*, the President's political confidante, and Mr. Robert Strauss, his campaign chairman, comprise, quite simply, the best political tactical team in the business, as Senator Edward Kennedy will attest. But, in 1980, the

The best political tactical team

high - toned quasi - *religious* moralism that served Mr. Carter so well four years ago is distinctly taking a back seat.

Mr. Carter's aim now is to make the character and record of Mr. Ronald Reagan, not the President's own record in office, the issue in the election. Mr. Carter has not hesitated in recent days to infer—his protestations to the contrary at his Thursday press conference notwithstanding—that Mr. Reagan harbours racist beliefs, is a *simpleton, who has to be pro*tected by his advisers from the consequences of his misstatements and is a potential war monger to *boot. It* may be a reasonable political tactic given the imperative for Mr. Carter, of holding together the fragile constituency that elected him in 1976. But it has been executed ruthlessly, at times crudely, and in a manner which has removed the last vestiges of the moral aura in which, the President previously cloaked *himself.*

Mr. Reagan, on the other hand, seems to have moved in the other direction. Nobody has ever accused him personally of not being a "nice" man, but it was a "golf club" gentility, secure in its wealth and privilege. Moreover he was surrounded by, and (some say) run by, hard, even vindictive conservatives, imbued at best with a narrow fervour and a lack of comprehension of the problems of the less fortunate.

The Carter assault seems genuinely to have been an affront to him. It has also thrown him completely off stride, at least temporarily. It has brought out his niceness, and even induced sympathy for him, but it has blurred the focus of his own campaign designed to exploit Mr. Carter's performance at home and abroad.

The possible beneficiary in the nastiness between the two front runners is, of course, Mr. John Anderson, the independent candidate, if for no other reason than that such bile is foreign to his soul. His support is now holding steady at about fifteen per cent nationwide: if this holds up he would do better in terms of the popular vote than any independent contender since *Teddy Roosevelt in 1912. But* the trouble is his lack of a base: it is hard to see a single state of the union preferring him over Mr. Carter or Mr. Reagan.

Yet nobody disputes that he could determine the ultimate winner. It is axiomatic that he draws more from disaffected Democrats than Republicans and thus hurts the President more, especially in the critical big states: this is why Mr. Carter is trying to pretend Mr. Anderson does not exist as a serious candidate by refusing to join in debate.

But if his support dwindles, then it is the Republicans who may have most cause to worry. He could yet attract enough votes from Mr. Reagan in the affluent suburbs of cities like Philadelphia and Chicago to *make* a difference.

It is hard at this stage to discern how the public is reacting to all this. It appears broadly true that Mr. Carter is not well liked, that Mr. Reagan does scare people and that Mr. Anderson is not well enough known. But the mood of the country also reflects the facts of every day life, above all the state of the economy — once Mr. Reagan's obvious strong suit. The recovery that now seems in train may yet help Mr. Carter if people begin to feel more optimistic about the future. However, it is worth remembering that in 1976 Mr. Ford was also in a position to brandish improved economic prospects, especially reduced inflation, but it was not enough to eradicate the bad memories of high unemployment, running at over eight per cent in the closing months of the campaign.

This is important because the real electoral battlefield this year is in the big states, as is always the case. No recent

Bad memories of high unemployment

President has won the White House without carrying at least five of the nine largest states, which collectively provide 245 of the 270 electoral college votes needed for victory.

Mr. Reagan it is generally agreed, enjoys a larger natural base than Mr. Carter. In 1976 President Ford carried every state west of the Mississippi river (except Hawaii and Texas). Mr. Reagan is likely to add Texas to his column, while the Carter camp expresses only hope—not much more —that California, Oregon and Washington can be pried loose. If not, then at least 150 Electoral College votes seem secure for Mr. Reagan.

Texas apart, the Reagan camp had genuine optimism that his popularity in the conservative south would erode Mr. Carter's base, though recent polls have shown a pronounced shift back to the President in his backyard (excluding *Virginia, which went* for Mr. Ford four years ago). But ceding the south and border states, plus the likes of Minnesota, the District of Columbia and Hawaii, to Mr. Carter still gives him a base of only about 100.

A month ago, most surveys put Mr. Reagan either ahead or level in the "Big Nine," with Mr. Anderson causing real problems for the President in states like New York (where Anderson will appear on the Liberal Party line along with Sen. Jacob Javits, defeated in this month's Republican primary but still a potent force), California and Illinois. Mr. Carter has again made up ground of late everywhere except Texas, which is a law unto itself. The problem is that the law in Ohio, Illinois and Michigan is an unemployment rate of 10 per cent or higher.

In 1976, Mr. Carter managed to weld together the traditional Democratic majority of the working class, the minorities, Catholics and Jews to carry the day. Some of these constituencies are disaffected *today*, not necessarily, as with minorities, to the point of voting for Mr. Reagan, but quite possibly to the extent of not voting at all, which would be just as damaging to the President.

At the same time, the Republican Party is enjoying something of a resurgence nationally, though the earlier fond hopes of being able to capture one or both houses of Congress have faded. The Republican Party certainly has more money to spend, which is usual, but this year has the added fillip that special interest groups (the evangelical Christian movement, for instance) are pouring both funds and human resources into causes associated with Republican dogma, such as opposition to abortion.

If thee factors seem to point in the *direction of a Reagan* victory they also explain why the thrust of the Carter strategy is to portray the Republican candidate as being outside the political mainstream. While negative in concept, it may prove enough to hold the Democrats together.

Nor should one ever forget the natural advantages an incumbent President enjoys. There is nothing like a foreign policy crisis to rally the public around its elected leader, even *as he faces* re-election: and there is no time bomb ticking away in the world with such electoral possibilities as a resolution of the hostage crisis with Iran. Mr. Reagan's advisers

Nothing like a foreign crisis

have repeatedly said of late that the one thing that really worries them is the prospect of Mr. Carter pulling off "an October surprise" abroad.

Some cynics, noting the absolute *determination* with which Mr. Carter is running, are even suggesting that the President would manipulate negotiations with Tehran, much as it was alleged that President Nixon and Dr. Henry Kissinger held out the prospect of a ceasefire in Vietnam before the 1972 elections, only to resort to bombing Hanoi once triumph at the polls had been secured. There appear no grounds for this suspicion at present, but there is a better basis for believing that the Carter *administration* did stoop to conquer in leaking news of the new "Stealth," radar-proof bomber so as to demonstrate the President's commitment to strong defence.

As Mr. John Sears, Mr. Reagan's erstwhile campaign manager, wrote this week, drawing vaguely on another sporting metaphor, it is the "will to win" which matters as much in politics as it does in sport. He called it "an extra reserve that wells up from within," creating momentum and ultimately victory. Mr. Carter possesses it, almost, it seems to a fault. Mr. Reagan has yet to display it but may need to: Mr. Anderson may find it insufficient. It is the intangible factor in what is already a touchy, fractious and contentious election.

Letters to the Editor

Value of pensions

From the Deputy Chairman, Metropolitan Pensions Association

Sir,—Eric Short's article (September 11) and his comments on the Government Actuary's assumptions, and those of the Centre for Policy Studies, serve to emphasise how sensitive the calculated "value" of public sector pensions and their inflation proofing is to the assumptions made.

A different insight to the problem can be gained from starting from a zero inflationary era and then adding back inflation. The Government Actuary's assumption is for a long-term yied of 10 per cent with inflation at 7½ per cent. Accordingly, the real rate of return he is assuming in a non-inflationary era is 2½ per cent. Similarly, he is assuming a real rate of wage or salary increase of 1 per cent per annum.

A 1 per cent real rate of increase in wages and salaries in a non-inflationary era is the sort of low rate many actuaries might assume. In fact, if we look at the past 20 years, the increase in average industrial male earnings in each year has exceeded the increase in the *Retail Price Index* in the relevant year on average by a figure much closer to 2 per cent than 1 per cent.

To assume a 2½ per cent annual increase in real wages would accordingly be too high, but it does lead to some simple arithmetic which establishes a principle the Government might consider.

Thus, by assuming that wage increases and interest rates are the same at 2½ per cent per annum, the effect of the two cancel out and the "cost" of a funded pension of a single year's 1/80th of final pay is, as a percentage of today's pay, 1.25 per cent multiplied by the annuity rate at age 60 calculated on a 2½ per cent basis. For men, that is 1.25 per cent x 13.515 plus, for their retirement cash, 3.75 per cent=20.5 per cent. For women, the figure comes to 25 per cent. However, the *figure* for men needs to be adjusted upwards to take account of widow's pensions, and the average for both men and women is 24 per cent.

That 24 per cent is on the high side, to the extent that the 2½ per cent wage increase rate (in a non-inflationary era) should perhaps be nearer 2 per cent. The resulting figure will be somewhere between the 24 per cent and the Government Actuary's figure of 16.8 per cent. Suppose it is 20 per cent—that is, in a non-inflationary era. Now add inflation. Wages increase at a faster rate than 2 per cent and nominal interest rates or investment yields are greater than 2½ per cent. And the indexation that the notional fund can provide is at a rate equal to the *excess* of average nominal interest rates on investment yields over 2½ per cent. So that, in a year that inflation *is increasing at say*, 15 per cent and average investment yields are also 15 per cent, the indexation should be 12½ per cent, not 15 per cent.

Three conclusions can be drawn from this:

(1) public sector employees should be paying more for their pensions

(2) even with that extra contribution their indexation should be limited to the amount by which the yield earned on their invested pension funds (or notional funds) exceed some figure like 2½ per cent.

(3) even then the total benefits are too generous (whatever the equitable distribution of the 20 per cent total between public sector employee on the one hand and taxpayer and consumer on the other, just how many private sector employers have pensions which, without any past service starting up costs, costs something of the order of 20 per cent of payroll in total?).

Mr. Jones, in his letter of September 15 obscures the position by reference to the assessmentism system operating in much of the public sector. Yet the system used is of relevance only to the incidence of cost and not to the cost itself. And, if current pensioners are to enjoy the benefits provided then this should *realistically* be at the cost of current earners.

D. C. Bandey.
Metropolitan House, Northgate, Chichester, Sussex.

Car taxation

From Mr. Thomas E. Whittle

Sir,—May I join the chorus of protest against the proposal of the Minister of Transport to extend the excise tax to all motor cars, whether on the road or not? Such an edict would be completely out of character from a Government pledged to the equitable *reform* of unfair taxation (like local rates) and reduction of the national deficit.

The existing (pay as you use) fuel tax encourages *energy* conservation, is fair to all motorists, easy to collect and almost impossible to evade. A simple increase in fuel tax (based on average usage) would "at a stroke" allow the phasing out over, say, a year, of the outdated "road fund" tax and its heavy administrative burden. Elimination of evasion would alone give honest drivers an immediate bonus of 9 per cent (about 12p a gallon) or £75m a year.

The MOT test relates to the car and not the owner. It should embrace evidence of valid insurance and the certificate could become a circular disc to take the place of the excise licence.

In his Budget speech Sir Geoffrey Howe said that removing the 25 per cent band of income tax resulted in "a valuable staff saving of 1,300 posts." Accepting that a register of car ownership would still be necessary, surely the abolition of the excise tax would also save many posts.

One registration office per region or large county should be ample—perhaps the proposed new system of number plate lettering might be simplified and so devised to lend itself to a completely computerised system, centred at Swansea, with satellite terminals at offices in the Midlands, north of England, Scotland and Belfast. One would hope and expect that displaced staff could be redeployed locally at unemployment or tax offices.

The outmoded excise licence discriminates harshly against the small car owner and the low mileage (occasional) motorist. The injustice should not be compounded by taxing all vehicles, whether "licensed" or not.

As your correspondent C. R. *Pout suggests (September 11)*, must we resort to "official scrapping" when off the road and resurrection again when required? Can all the extra bureaucracy be defended when such an easy and fair solution is available, and need this strong Government veto all the proposals of the previous administration, regardless of merit?

Thomas E. Whittle.
19, Kildoon Drive, Maybole, Ayrshire.

Working wives

From Ms. Anne Steadman

Sir,—While agreeing with Dr. Staveley (September 9) that the current system of personal tax allowances is inequitable, I totally disagree with his suggestion that every adult person, whether in employment or not should receive an identical tax allowance and that that of a married couple should be double that of a single person.

Surely these days a wife who does not work outside the home is a luxury—and one that somebody must pay for. Who should pay? Certainly not working women who are already penalised because they are unable to claim for expenses incurred in going to work—child care, help in the house and so on.

No, Dr. Staveley, non-working women are already subsidised by the rest of the taxpayers. The only fair system would be an identical tax allowance for all working people. And to abolish the married man's allowance altogether.

Dr. Staveley contends that married women should be discouraged from taking paid jobs outside the home because they "unjustifiably aggravate" the problems of "genuine" unemployment.

Can Dr. Staveley really mean that married women should stay at home and let the unemployed "breadwinners" take the jobs going? If he does, then presumably he also subscribes to the curious view (recently expressed) that the unemployment figures do not really mean what they say because a good number of the 2m total are women.

When it *comes to* competition for available jobs, only one criterion is applicable—simply the best-qualified person for the job. *It is* irrelevant whether that best qualified person is married, or single; or male, or female.

Anne Steadman.
44, Woodcote Hurst, Epsom, Surrey.

Contributions

From Mr. H. F. T. Wilmot

Sir,—Mr. P. D. Jones' letter commenting on the recent article by Mr. Eric Short does not seem to provide much more "necessary information" to assist in judging what a more realistic rate of contribution (by civil servants) should be. To some extent the matter is *confused*, as both Mr. Jones and Mr. Short write that the Civil Service pensions scheme is non-contributory whereas in the June 1980 edition of "State Service," the Journal of the Institution of Professional Civil Servants, in an *article* entitled "The truth about Civil Service Pensions" it is stated that the deduction is around 8½ per cent of salary and "we know of no other major scheme in the public or private sector where the contribution is as high as that paid by civil servants."

I realise that *this* deduction is made before new pay rates are agreed but it seems to me that the presentation of the facts is put in a confusing way. Surely actuarial assumptions are valid provided there is a limit to the number of assumptions made. What worries many people is the State having to provide on a "non-contributory" basis for future pensions for civil servants when inflation could have reached a very much higher rate than obtains today.

H. F. T. Wilmot.
99, Lower Road, Chalfont St. Peter, Bucks.

Toothpaste terror

From Mr. T. Wegner

Sir,—I suppose that the scientists are correct by stating that cigarettes are a contributory factor for cancer, heart disease, bronchitis etc., etc.

We are told that cigarettes with a high tar content are more dangerous than those with a smaller content of tar.

Lists have appeared in many papers stating their exact contents of tar, therefore smokers are able to pick the mildest cigarette.

As far as toothpaste, however, is concerned, *I read the article* (September 4) twice but I could not find any indication as to which toothpastes would send me to my early grave and which would allow me to enjoy life for as long as possible.

I, for one, have stopped brushing my teeth with a toothpaste and if we all do this the toothpaste manufacturers are out of business and therefore your correspondent who wrote this article a few days' ago should give us toothpaste-loving-teeth-brushers the choice of picking a toothpaste which is either not dangerous or the least dangerous of the *lot.*

Upon receipt of this information, I, together with many readers of your columns would buy their shares and would all do well.

T. Wegner.
23, Prince Edward Mansions, Moscow Road, W2.

THE ROTHSCHILDS

Public rift for a private family

Michael Lafferty traces the history of the Rothschild family and events leading to an unusual public row.

"THE Rothschilds have always given freely, yet of all the qualities that distinguish them—generosity, creativeness or sheer vitality—none is more conspicuous, even today, than the cardinal principle which the founder implanted in his five sons: solidarity . . . All Rothschilds still accept the belief: 'A family that works together is invincible.'"

The quotation—taken from a recent history of this famous European family by Virginia Cowles* — seems strangely at odds with the events of the past week.

Last Monday, a family row between two branches of the British Rothschilds which had been simmering for months burst into the public arena.

The extraordinary thing about this dispute was that it concerned the use of the name Rothschild in two British companies, both of which are led by cousins bearing the famous name.

But by the end of the week the Rothschilds had enough of publicity. The ranks began to close, and the two main protagonists—Mr. Jacob Rothschild, chairman of the quoted company which until now has been called Rothschild Investment Trust, and Mr. Evelyn de Rothschild, chairman of the merchant bank, N. M. Rothschild, and a major shareholder in the bank's privately owned holding company, were talking of burying the hatchet.

Shareholding links between the two businesses are to be severed, and Mr. Jacob has agreed to change the trust's name to RIT Limited, while continuing to use his name in some of the subsidiaries.

It seems extraordinary that people should argue about the use of a name, particularly when it is common to both sides. But the Rothschild name is different. The reason lies in the history of a family whose founder laid down very precise rules about who could call himself a Rothschild.

Both Mr. Jacob and Mr. Evelyn are direct descendants of Mayer Amschel Rothschild, a German Jew who first started a money-lending business in the Jewish ghetto of Frankfurt about the middle of the 18th century.

Mayer had five sons, one of whom, Nathan, was to come to England in 1798 to secure supplies of cotton for the family business which by then had moved into general trade as well as banking.

Nathan arrived in Manchester with a few letters of introduction and not a word of English. But he had at least £10,000 in cash with him, and a promise from his father that if he did well he would get more.

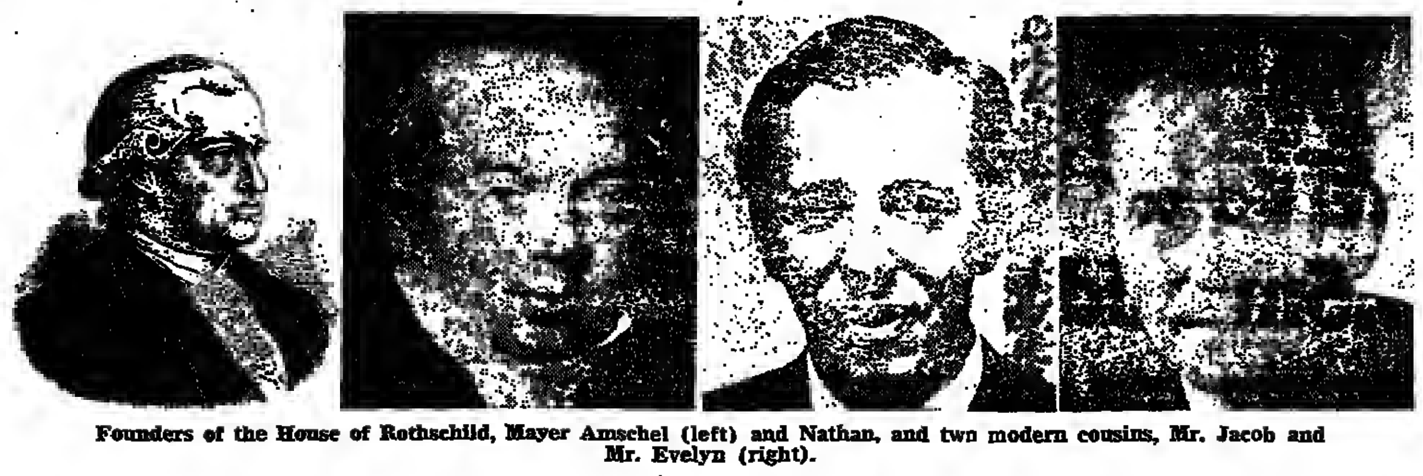
He became a naturalised Englishman in 1809, and the following year he established his own bank under the same name that it is known today—N. M. Rothschild and Sons. The business prospered thanks to Nathan's ingenious financial operations.

While Nathan was prospering in London another brother was building up the foundations of the French Rothschild empire in Paris, while the other three brothers devoted their energies to the original business back in Frankfurt. The brothers worked closely together, following their father's instructions.

A family history published in 1887 paints a good picture of how the Rothschilds thrived during the long periods of instability in Europe in the 19th century.

"As Napoleon's star sank and disappeared, that of the Rothschilds rose and increased in brilliance. When Napoleon was finally crushed at Waterloo, his star vanished for ever, whilst that of the Rothschilds seemed to grow every day in power and to dwarf all others.

"The Rothschilds belong to no one nationality, they are cosmopolitan, and, whilst on the one hand they provided supplies for the armies of Napoleon, on the other, they raised loans for his foes, who used the funds thus obtained in defraying the cost of their campaigns against him; they belonged to no party, they were ready to grow rich at the expense of friends and foes alike."



Founders of the House of Rothschild, Mayer Amschel (left) and Nathan, and two modern cousins, Mr. Jacob and Mr. Evelyn (right).

Nathan, or "N. M." Rothschild died in 1836 and was succeeded as head of the UK family by one of his sons, Lionel, who became senior partner of the bank, where he was assisted by his brothers.

Much of the bank's business was then concerned with raising loans for foreign governments and projects. In 1839 a large loan for the U.S. was floated; in 1845 the Paris and London banks raised the finance for the French Northern Railway; in 1854 the London bank floated a £16m loan to finance the Crimean War. Altogether, during the 43 years Lionel was head of NMR, Rothschilds are said to have raised over £1bn in foreign loans. Prussia, Russia, Portugal, Greece, Holland, Belgium, France, Hungary, Egypt, Turkey, the U.S., Brazil, New Zealand all came to the Rothschilds of London for money.

Social respectability soon followed the financial success of the British Rothschilds. In 1858 Lionel became an MP. But some years later when Prime Minister Gladstone suggested to Queen Victoria that a peerage might be appropriate, Victoria is said to have been deeply shocked, saying that such a step would "be ill-taken and would do the government great harm."

But the Rothschilds had powerful and persuasive friends in Disraeli, Gladstone, the Prince of Wales, and others. In 1885, Lionel's son, Nathaniel, became the first Lord Rothschild. "Jews all over the world were thrilled at what they regarded as a triumph over prejudice, a step towards social equality," writes Virginia Cowles.

As the leading English Jew Lord Rothschild came to be regarded as the lay head of world Jewry. For 36 years he served as President of the United Synagogue, an inter-congregational organisation. In this capacity it is said he more or less dictated the choice of England's chief Rabbi. At Queen Victoria's Jubilee celebrations in 1897, while Cardinal Vaughan presented a loyal address on behalf of England's catholics, Lord Rothschild spoke for English Jewry.

Ironically, in the aftermath of the First World War the English Rothschilds turned out to be the hardest hit financially. Estate duty following the deaths of Lord Rothschild and his brothers had depleted the reserves of N. M. Rothschild and Sons. Slowly many of the family's huge London houses came up for auction, or demolition. That process has continued over the years.

Eventually, change came to N. M. Rothschild and Sons. In 1960 the firm, still a partnership, accepted the first outsider as a partner. In 1970 it became a limited company. By now the main personalities had changed. Mr. Evelyn de Rothschild had inherited the largest single shareholding in the business on the death of his father, the third Lord Rothschild, in 1961. Mr. Evelyn is said to have been convinced that only drastic reorganisation could put the bank back in the forefront of British banking. The man who became most associated with that change was Mr. Jacob Rothschild, Mr. Evelyn's cousin.

Mr. Jacob introduced a new department of corporate finance to the bank and presented an aggressive image of himself and the bank to the outside world.

Conscious perhaps that he might one day need his own business Mr. Jacob built up an institution which was to become a public company called Rothschild Investment Trust.

During the period from 1967 to 1975 Mr. Jacob was undoubtedly the main figure in the public eye at Rothschilds. Mr. Evelyn appeared to be playing a subsidiary role.

In the mid-1970s, however, the power structure at the bank was to change dramatically. Lord Victor Rothschild, Mr. Jacob's father, became bank chairman. After only a year he passed the chair to Mr. Evelyn.

Slowly but surely the image and character of the London bank began to shift back to that of a traditional London merchant bank. It drifted from the lime-light, and did not encourage press interest in its affairs.

Today N.M. Rothschild is part of the City of London's banking establishment. It is one of the members of the Accepting Houses Committee, traditionally regarded as the elite club for merchant banks. But it has to be said that the Accepting Houses Committee encompasses little more than a handful of banks whose names immediately spring to mind as the most important merchant banks in the City. N.M. Rothschild is by no means at the top of the first division. The Rothschild bank's annual report, released yesterday, shows shareholders' funds of a mere £40m, though this figure is probably substantially understated by the bank's secret reserves. The balance sheet total (gross assets) is £684m, and that compares with totals of £2.4bn at Kleinwort Benson, £1.8bn at Schroders, £1.7bn at Hambros and over £1bn at Hill Samuel and Morgan Grenfell.

With the bank no longer under his main direction, Mr. Jacob Rothschild put his energies into the development of Rothschild Investment Trust, which operated from the same building as the bank.

The Trust soon became a rather glamourous financial vehicle which seemed to be going places. It took unusual stakes in busines like Sotheby's, the fine art auctioneer, and Wedd Durlacher, the stock jobber. The financial crash of 1974-75 had an adverse effect on its fortunes although since 1977 its net assets have risen from £40m to around £100m.

The expansion of RIT obviously caused worries within N.M. Rothschild. These were not allayed when it was announced in August of last year that Reliance, the U.S. insurance group headed by Mr. Saul Steinberg, was paying £16m for a stake in the Trust.

Mr. Steinberg, 41, is still regarded as one of the more controversial takeover kings in the U.S. His first business, Leasco Leasing, was founded in a Brooklyn loft in the 1960s. Despite this unconventional background Jacob Rothschild is a great admirer of Mr. Steinberg.

But RIT's link-up with Reliance was only one in a long series of events over the past five years, and particularly in the past 18 months, which made an eventual parting of the ways inevitable. One Rothschild described the whole affair like this yesterday: "Evelyn simply wanted to be master in his own house. And that is perfectly natural."

* "The Rothschilds. A Family of Fortune," by Virginia Cowles; Weidenfeld and Nicholson, £10.

Weekend Brief

International Stores bids to make new money from fresh food . . . Britain's pirates of the air waves . . . and Trinidad's industrial push

A fresh view in store

The decision to call off the proposed docks strike came as a welcome bonus for Christine Harris, a 30-year-old American and former Harvard Business School researcher who this week entered the fiercely competitive world of grocery retailing with the £1m launch of a new chain of fresh food shops called "Country Markets."

Fresh foods were one of the likeliest early casualties of a docks strike and although it was unlikely that the first "Country Markets" store—which opened at Salisbury in Wiltshire on Thursday—would have been much affected, the threat did emphasise that the success or failure of any new retail venture can be in the hands of the Gods (or in this case the Transport and General Workers Union).

Ms. Harris, however, is not going it alone in the food trade since she has the backing of International Stores, the supermarket subsidiary of the giant tobacco multinational, BAT Industries. International has gone from bad to worse since BATs acquired it in 1972, as the major grocery chains—Tesco, J. Sainsbury, and Asda—have fired salvo after salvo in the High Street price war.

One of the consequences of its last management reshuffle some 18 months ago was the setting up of a special "Think-tank" of young high fliers who could initiate new developments and successfully carry them through. Such a job proved irresistible to Christine Harris, who had spent the previous four years working for Marks and Spencer, one of Britain's most successful retailers. Before joining M & S, Ms. Harris—a native of Wisconsin—had worked for the U.S. retailers Sears Roebuck and researched and written case studies of successful retailers for the Harvard Business School. (M & S was one of her case studies—before they offered her a job).

Ms. Harris had to take account of two main factors—International's legacy of small stores, and the changing pattern of grocery retailing. During the 1970s, supermarkets had expanded from their traditional base of packaged groceries into non-foods such as clothes and electrical goods which earned higher profit margins. There was also a move towards selling more fresh foods which were slightly more profitable than packaged groceries, in spite of the extra operating costs of selling them.

But over the past year or so, the collapse in demand for consumer durables has meant that supermarkets have devoted an increasing amount of selling space to fresh foods.

Christine Harris, however, believes that she has formulated a different approach. Instead of selling fresh foods as part of a larger supermarket operation, she has put together a comprehensive range of fresh foods—fruit and vegetables, meat, bakery, dairy, and delicatessen as well as "extras" such as an off-licence, plant shop, and snack bar—in one High Street store. Thus, she hopes to combine the advantages of a supermarket style operation—such as bulk buying and shared overheads — with the convenience for the shopper of not having to go to separate shops or face a reduced choice in a normal supermarket.

Christine Harris: small stores, big ideas.

Her trading formula—which no other national supermarket chain has yet copied—also helps solve International's problem of what to do with its small stores which cannot sell packaged groceries economically.

The Salisbury store will be followed by two more before Christmas and, if these prove successful, a chain of 50 or so "Country Markets" is envisaged. Christine Harris herself has not yet made any plans for her future — she acknowledges that the success or failure of the new venture will determine that.

Air waves and Bright Eyes

One of the less amusing aspects of the British rush to holiday in the U.S. this year as far as the UK Government is concerned is the flood of Citizen Band transmitters and receivers that have arrived with the sun-tanned homecomers. CB, you may recall, is a system of personal communication, illegal in Britain, usually installed in cars and lorries enabling drivers to talk to each other.

British Government resolve to keep CB out weakened somewhat earlier this year when the Home Office said it was considering what it calls an Open Channel system. It invited comments by the end of November and promised a decision after that. At the moment the Government favours a frequency around 928 Mhz, probably for the good reason that this part of the airwaves is so difficult to use that no-one else wants it. Afficionados of CB would like a VHF system, but the smuggled units are all on 27 Mhz, a short-wave area which is used in the U.S. and most other countries.

British objection to 27 Mhz is that it is already in use in the UK by model aircraft control devices and hospital paging systems.

Anyone who thinks that CB is a minority sport and that the number of illegal sets currently in use in the U.K. is tiny, needs only to tune to the 27 Mhz. band to hear contrary evidence. In London at least the early evening air waves are full of CB enthusiasts (called breakers, either because they are trying to break into a conversation or because they are breaking the law). To be honest the conversations hardly inspire enthusiasm for a brave new communications world.

Operating under pseudonyms (called "handles") the users seem to spend most of their time making social engagements—at a one-time price of about £50 for the cheapest of the sets such calls are much cheaper than by telephone. The "handles" add a piratical mystery to the whole thing. Nimrod, Incredible Hulk, Blue Mac, Zodiac and The Bristol Breaker all compete for air space and seek friends.

An intriguing aspect of the business is the little glimpse one gets of breaker society. Apart from breaker language there are obviously breaker pubs and definite breaker rules. One piece of naughty language this week produced a torrent of reprimands from other users pointing out that the Post Office might be driven to descend heavily on the whole game if swearing became a breaker norm. The arrival of someone who was reverently referred to as a Lady Breaker caused great delight. She announced herself as Bright Eyes and was then pursued up and down the Channels by eager suitors.

So widespread is the CB business these days that there is even a CB magazine, produced by Link House and inevitably named Breaker. Editor Richard Nichols, who had trouble convincing W. H. Smith of the publication's own legality, reckons units are now pouring into Britain, with some 100,000-plus already in use. Whatever law Government now produces—even the much longed-for VHF system—is unlikely to stop present users. "27Mhz is never going to go away now. It is too late. These people are anarchistic about it. They are saying: 'we started this and we are sticking to it'."

The call of the Caribbean

Long before Columbus set eyes on the vast marshes of Trinidad's west-central coast the indigenous Carib and Arawak Indians had decided that it was unsuitable for settlement. They passed swiftly through the flat swamps bearing their catches of fish to more congenial surroundings.

Trinidadians today point out the irony of that story. For the 2,000 acre site with one leg in the central sugar belt and the other on the sea shore is rapidly turning into a vast complex for major energy-based industry and its lighter spin-offs.

In line with their image as the "Arabs" of the Caribbean (by 1982 oil production from land wells and marine deposits in the Gulf of Paria and off the east coast are expected to reach 116.8m barrels) the Trinidadians have already set aside an estimated TT$120m (£21m) to pay for the first two phases of the Point Lisas Industrial Estate and Port.

In a country where the main roads are pitted with potholes, where power cuts are an every day occurrence and to telephone abroad takes more time and requires more patience than most of us have got, the Point Lisas scheme is not without its critics.

The landlord at Point Lisas is the Point Lisas Industrial Port Development Corporation (Plipdeco) whose issued share capital of just over TT$12m is 81 per cent owned by the Government, 17 per cent by other statory bodies and 2 per cent by Trinidad and Tobago citizens.

Major energy based industries lined up for Point Lisas include the Iron and Steel Company of Trinidad and Tobago, which is already in production; Fartrin, a company formed jointly between the Government and Amoco in 1977 to produce fertilisers; a methanol plant and an aluminium smelter.

The Plipdeco board of directors envisages a host of spin-off industries supporting and being supported by the major concerns. One day 400 acres of reclaimed and as yet unclaimed land beside the present site will provide homes for 20,000 people, 6,000 of whom will be employed in the major industries and the supporting spin-off and service industries. Plipdeco dreams of a new city with schools, leisure centres and facilities for business.

Contributors:
David Churchill
Arthur Sandles
Pat Walker

Economic Diary

TODAY — National Savings monthly figures (August).

TOMORROW — Mrs. Margaret Thatcher speaks at Franco British Council meeting, Bordeaux.

MONDAY — Mrs. Margaret Thatcher begins official visit to Greece. European Parliament's Committee on External Economic Relations opens three-day public hearings in Cambridge to include Europe's car industry and EEC-Commonwealth trade problems. Confederation of British Industry monthly trends (September). New construction orders (July). National Food Survey report on consumption (first quarter). Gross domestic product (second quarter provisional).

TUESDAY—Unemployment and unfilled vacancies provisional figures (September). Meeting of EEC Budget Council, Brussels—expected to discuss draft of 1981 Community Budget and to meet European Parliament's Budget Committee. General Conference of UNESCO opens in Belgrade. New vehicle registrations (August). Mr. William Whitelaw, Home Secretary, opens two-day conference on "How to Beat the Vandal," Imperial College, London.

WEDNESDAY—Mrs. Margaret Thatcher begins three-day tour of Yugoslavia to talk with leaders and visit steel and petrochemical plants. Sir Geoffrey Howe, Chancellor of the Exchequer, attends two-day Commonwealth Finance Ministers meeting, Bermuda. Foyles Literary lunch in honour of Mr. Denis Healey, Shadow Chancellor of the Exchequer, Dorchester Hotel, London. Trades Union Congress meeting, London.

THURSDAY—Official opening of Hunterston "B" Nuclear Power Station by Sir Monty Finniston. Energy Trends publication. Finished steel consumption and stock changes (second quarter final). Department of Employment Gazette

FRIDAY—Mr. James Callaghan, Labour Party Leader, addresses rally at CWS Central Hall, Manchester. Car and commercial vehicle production (August final). Sales and orders in the engineering industries (June).

SATURDAY — Labour Party Conference opens, Blackpool.

STC up 43% and confident

A SUCCESSFUL maintenance of margins despite inflationary pressures has belped Standard Telephones and Cables lift its taxable profits by 42.5 per cent in the first half of 1980.

The surplus for the 25 weeks to June 22 was £22.8m, compared with £16m for 24 weeks lsat year.

The directors remain confident of prospects for the full year and ssy that while no company can avoid the impact of a prolonged recession, they are taking steps to maintain the group's profitability and advance its technologies for the future.

The interim dividend is doubled to 4p net to reduce disparity—last year's total payment was 8p from pre-tax profits of £33.4m.

First-half turnover rose from £187.2m to £256.4m, comprising £159.4m (£106m) from the telecommunications and electronics division and £97m (£81.2m) from compooents and distributors.

Nearly half of the telecommunications and electronics turnover represents work for tha Post Office. Orders for the semi-electronic TXE4 exchanges have been building up strongly and will continue at a high level for the next four years.

STC has also won a number of major contracts for laying submarine cables over the past 12 months and it saya the order book is *particularly strong.*

Income from trading, after depreciation of £6.3m (£5m) improved by £8.7m to £28.9m. Interest charges were up £2m at £6.4m and the pre-tax surpins also incinded associates' profits of £0.3m (£0.2m).

A higber tax charge this time of £9.1m (£3.5m), reflecting lower growth of stocks and work-in-progress and consequently lower stock appreciation relief, leaves the attributable profit at £13.7m (£12.5m). Earnings are shown at 13.7p (12.5p).

The outlook for the telecommunications and electronics business *is supported* by a *good* order position, both from UK customers and in export markets, say the directors. The components activities, with mnch shorter lead time on orders, are more vulnerable to the deepening recesaion, but are still showing satisfactory performances.

The ultimate bolding company is International Telephone and Telegraph Corporation of the U.S.

Lex, Back Page

Laporte falls to £5.5m midterm

AFTER REDUNDANCY costs and special depreciation of £2.27m, against £417,000, and interest up from £1.25m to £1.63m, profits before tax of Laporte Industries (Holdings) fell from £8.52m to £5.46m in the 26 weeks ended June 29, 1980.

The group, a major chemical manufacturer, suffered from a very poor UK market, with sharply rising costs and the strength of sterling leading to heavily squeezed margins in overseas markets, Mr. R. M. Ringwald, the chairman says.

He is not predicting the second half outcome, but says the third quarter shows a continuation of the poor sales performance of the second quarter.

Stated earnings per share in the first half are down from 9.6½p to 1.26p, but the directors are maintaining the interim dividend at 3.5p. The chairman says the cost of the dividend will fall directly on revenue reserves, but the payment is unchanged mainly because the trading results before rationslisation costs, hava held up reasonably well.

A decision on the final will only be taken when full year results are known, together with prospects for the following year. In 1979, the group paid a total dividend of 8.75p from record pre-tax profits of £16.87m.

Full provision has been made in the half yearly accounts for the redundancy and closure costs to be incurred in 1980 in Stallingborough, amounting to £2m.

The peroxygen business bas so far held up well. The results include substantial losses incurred in the start up period for Intertox America, but these losses should now diminish as volume increases from the present plant which is nearing the end of its commissioning period. Other product areas have performad well in the face of less than buoyant demand, the chairman says.

	26 weeks 1980 £000	1979 £000
External sales:	101,778	92,292
Laporte	66,552	60,752
Attrib.. Interox	35,226	31,540
Trading profit:*	9,358	10,133
Laporte	3,177	4,085
Principal Interox	5,288	5,230
Other associates	893	868
Redundancy & special depreciation	2,270	417
Interest	1,632	1,246
Profit before tax	5,456	8,520
Tax	4,706	4,040
Net profit	750	4,480
Extraordinary debits	691	645
Preference dividends	13	15
Attributable	43	3,818
Ordinary dividends	2,026	1,621
Deficit retained	1,983	†2,197

*After normal depreciation £2.71m (£2.05m) and £214,000 (£259,000) transfer from investment and development grants account. † Profit.

● comment

The 8p fall in Laporte's price to 97p suggests that, despite bearish suspicions at year end which underlayed the poor rights issue take-up, the market waa not prepared for the degree of downturn in the group's UK activities. Recessionary domestic demand coupled with squeezed export margins are the familiar problems. But — excluding associates, where American borrowings are up—the rights call has kept down the third problem, interest costs. The Interox companies have held their own in sterling terms, thanks in part to the opening up of bydrometallurgical applications for the peroxygen products. Trading deteriorated in the second quarter, and it is these conditions which are so far carrying through into the current half. While the company is keeping an open mind on how the year will close, the times offer few encouraging signs for an early indnstrial upturn. On a maintained final, tha shares would yield over 13 per cent on a historic fully taxed p/e of 6.7.

Breedon improves midyear

WITH TURNOVER ahead at £1.9m, against £1.82m last time, pre-tax profits of Breedon and Cloud Hill Lime Works improved from £533,000 to £564,000 for the half year to July 31, 1980.

The net interim dividend is effectively raised from 2.5p to 2.625p per 25p share — payments in the 1979-80 year totalled 7.5p after adjusting for the one-for-five scrip issue.

Change Wares' recovery signs

THE DELAYED 1979 accounts for Change Wares, the wire mesh fittings group which has been the scene of many board room changes over the past year, reveals a pre-tax loss of £1.12m on sales of £17.2m.

But in the current year the company is back in the black, according to the latest figures. The shares fell 1½p to 4½p on the news.

The loss for 1979 compares with a forecast deficit of over £1m and with a profit of £615,000 for the previous year—achieved from sales of £16.7m. The loss was struck after exceptional items of £703,037; after charging tax and extraordinary items of £95,812 the attributable loss comes out at almost £1.5m.

Results for the first half of 1980 show a pre-tax profit of £17,000 compared with £326,000, on a turnover of £9.65m (£9.87m). The preference dividend—in arrears from March 31—*is* not being paid.

The group also announces further board changes. Mr. Mervyn Smith has been appointed group managing director. He will also become group finance director and company secretary.

The board underwent a big reorganisation in January when Mr. Geoffrey Rose, the former chairman, resigned along with five other directors. In August Mr. Harold Chaffa was appointed chairman, Mr. Daniel Sullivan, a U.S. director resigned and Mr. Mark Geraghty, a lawyer and U.S. resident, was appointed a non-executive director.

The company's AGM, adjourned on July 25, will be resumed on October 29.

Redundancy costs hit Molins in half-year

FIRST HALF 1980 pre-tax profits of Molins, international precision engineering group, are down from £5.3m to £4.7m reflecting the £0.7m cost of redundancies from the continuing reorganisation of the Deptford cigarette packing and handling business.

Sir Harry Moore, chairman, says although it will be difficult to achieve the same level of pre-tax profits as last year's £11m, the group is aiming nevertheless to be reasonably close to that figure.

The interim dividend is unchanged at 2.2p per share — the final last year was 5.698p. Earnings per share before tax in the first half are stated as 15.8p against 17.9p and 10.8p (11.4p) net.

The tobacco machinery business has done well to increase its half-year trading profits, with lower UK profits more than offset by the improved contribution from overseas. Particularly encouraging have been the excellent performances of the Richmond, U.S., division and the UK spares division.

Reflecting economic conditions and strong competition the overall order position is not as good as at this time last year, the chairman says.

The paper and packaging business has had to contend with intense competition for very few available orders in the world market. No significant upturn in demand is expected within the next six to 12 months and while some recovery is expected from Langston during the second half the trading situation at Masson Scott Thrissell Engineering will remain difficult at least until the end of this year.

A separate division has been formed for the research, development and manufacture of the group's cigarette handling and systems equipment, and is to be based in Milton Keynes. Initially the division will occupy four advance factory units in the city, comprising a total of 38,000 sq. ft., and will employ around 180 staff in the first phase of development.

An industrial development certificate has been granted to build a factory of some 100,000 sq. ft., and is expected to be ready for occupation in 1983. It will ultimately provide about 350 new jobs in Milton Keynes.

● comment

Profits at Molins may have shown little or no growth over the last few years but at least the group is containing debt and the return on capital is holding up. Sales of paper and packaging machinery have taken a hammering but the improved Langston product range could bring the division back to break-even in the second half. On the tobacco side there will be much lower level of redundancy costs over the rest of the year and the order book stretches into 1981 but the heavy dependence on export orders remain a worrying feature given the current level of sterling. Molins may make up the lost ground in the second half but taking a more cautious estimate of £10m pre-tax, the share price of 105p produces a fully taxed p/e of 6.3. There is strong support from the yield, which works out to 11.1 per cent on a maintained final.

Results due next week

The week's main feature is a crop of important interim results on Thursday—from **Vickers, Dunlop, Tootal** and **BAT.**

Jointly and severally, the now merged **Vickers** and **Rolls-Royce Motors** report interim results on Thursday. Last year's half-timers saw £6.4m from Vickers and £4.6m from R-R. The total this time round, say analysts, is likely to be of the order of £16m—if Vickers takes into the interim p and l the interest on its BAC compensation, which may account for almost half that £16m figure. Interest payable is likely to be another major feature of the figures, however, with the companies' combined debt servicing burden probably pushing £10m for the half. Bright spots on the trading side are expected to be Vickers' Australian engineering companies and its remaining office equipment business, while a major feature in the current half is the Silver Shadow replacement. Full-year forecasts of up to £25m are starting to look a little optimistic. The full-year dividend was forecast during the merger at 12p net, compared with the 1979 Vickers net total of 9.814p.

Thanks to its overseas interests offsetting a UK loss **Tootal** probably has just crept into the black in the 1980 first-half according to City estimates. But this will depend on redundancy costs (3,000 jobs have gone this year) and reorganisation expenses being charged below the line rather than above. The group has been hit by a formidable combination of factors — aggressive competition, strong pound, poor demand and de-stocking. The second-half looks to be seasonally stronger and with a UK profit expected the years result could reach around £9m compared with a depressed £14.6m for 1979/80.

City analysts are looking for pre-tax profits of between £10m and £15m when **Dunlop** reports. This result, which includes Zimbabwe for the first time, compares with a strike depressed £16m in the same 1979 period. The group had a reasonable first quarter but the second quarter was weak. The outlook for the rest of the year is better; with tyre losses down and the overseas side picking up estimates for the full are put at between £25m to £35m. This would compare with £29m for 1979 and £46m in 1978.

One day, City pulses may quicken with uncertainty at approaching results from **BAT Industries.** But the company looks set in the current year simply to continue its modest growth — to perhaps £460m pre-tax profit in the full year—which analysts expect to be reflected in an interim result on Wednesday of around £220m. Tobacco should be better — in local currencies at least—while retailing and paper probably will not. There is no direct comparison with last year, when the company changed its accounting period, but its last reported twelve month figures showed £443m pre-tax. The year's net dividends could total, by outside estimates, 20p, against 17.24p in the last twelve-month period.

Also expected next week are interim figures from **George Wimpey, Dickinson Robinson, Bank of Scotland, Alexander Howden,** and **Fisons.**

Company	Announcement due	Dividend (p)* Last year Int.	Last year Final	This year Int.
FINAL DIVIDENDS				
A. B. Electronic Products	Tuesday	2.5	4.5	3.0
Amber Day Holdings	Tuesday	0.8375	1.9625	0.8
Armstrong Equipment	Wednesday	0.88	1.72	1.011
Bailey (Ben) Construction	Wednesday	0.33	0.87	0.44
Barratt Developments	Tuesday	2.90965†	7.355	3.5
Casket (S.) Holdings	Friday	0.5	1.25	0.5
Celtic Haven	Tuesday	—	—	—
Dowding and Mills	Wednesday	0.58	0.91	0.7
Emess Lighting	Monday	—	—	2.5
Estates Property Investment	Monday	1.5	2.75	2.5
Ferry Pickering Group	Wednesday	0.6875	1.5125	1.0
Galliford Brindley	Thursday	1.125	3.0	1.125
HTV Group	Thursday	3.5	6.5	3.5
Hunt and Moscrop (Middleton)	Thursday	0.3575	0.54272	0.3575
Marler Estates	Wednesday	—	—	1.0
Mills and Allen International	Wednesday	2.72727	8.18182	4.0
Mucklow (A. J.) Group	Monday	1.32	1.9168	1.6
Park Place Investments	Monday	1.0	1.8	1.25
Ricardo Consulting Engineers	Wednesday	2.75	4.25	3.0
Sizewell European Invest. Tst. (The)	Thursday	—	2.1	—
Telefusion	Monday	0.6655	0.83835	0.67
Tor Investment Trust	Monday	2.345	4.375	2.8
Walker (J.) Goldsmith and Silversmith	Monday	0.83333	2.08333	1.0
INTERIM DIVIDENDS				
Alva Investment Trust (The)	Wednesday	4.025	5.075	
Amalgamated Metal Corporation	Thursday	3.0	11.0	
APV Holdings	Thursday	2.8	5.6	
Astbury and Madeley (Holdings)	Wednesday	0.667	2.583	
Aurora Holdings	Tuesday	1.55	4.61	
Bank of Scotland	Tuesday	7.25	7.75	
Barlow Holdings	Thursday	1.0	2.0	
Beatson Clark	Monday	3.0	5.4	
Berkeley Hambro Property	Thursday	2.5	3.0	
Brixton Estate	Thursday	1.21282	1.21292	
Brown and Jackson	Thursday	4.0	5.0	
Copydex	Tuesday	1.0	2.0	
Crosby House Group	Wednesday			
Dickinson Robinson Group	Monday	3.0	5.5	
Dunlop	Thursday	2.65	2.65	
Elbar Industrial	Tuesday	4.0	6.0	
Estates and General Investments	Monday	0.55	0.85	
Fisons	Monday	8.895	9.555	
Garnar Scotblair	Monday	2.4	3.85	
General and Commercial Invest. Trust	Thursday	3.3	5.77‡	

Company	Announcement due	Dividend (p)* Last year Int.	Last year Final	This year Int.
General Investors and Trustees	Thursday	2.41	3.5	
Glossop (W. and J.)	Wednesday	1.575	2.526	
Gratten Warehouses	Wednesday	1.865	4.425	
Hoden Carrier	Thursday	3.25	6.75	
Hall Engineering (Holdings)	Friday	3.1	3.9	
Harris and Sheldon Group	Tuesday	1.25	1.75	
Hoskins and Horton	Thursday	3.0	5.0	
Howden (Alexander) Group	Thursday	3.5	3.5	
Huntor (Chorley)	Thursday	2.66	3.3	
Kleinwort Benson Lonsdale	Tuesday	2.5	4.0	
Lane (Percy) Group	Thursday	0.75	1.0	
London and Scottish Marine Oil	Tuesday	—	—	
Mackay (Hugh)	Wednesday	1.4	2.22	
Manders (Holdings)	Wednesday	1.3	3.2	
Manor National Group Motors	Thursday	1.0	1.5	
Menzies (John) Holdings	Tuesday	2.0	4.0	
Modern Engineers of Bristol	Thursday	1.0	2.0	
Morrison (W. M.) Supermarkets	Thursday	0.7	1.5	
Neill (James) Holdings	Friday	2.2	3.642	
Office and Electronic Machines	Thursday	2.5	4.0	
Owen Owen	Friday	1.0	2.7	
Ransomes Sims and *Jefferies*	*Monday*	*3.43a*	*8.0*	
Rowan and Boden	Wednesday	0.9	1.31	
Sale Tilney	Thursday	3.15	3.6	
Sandhurst Marketing	Tuesday	0.585	1.17	
Spear and Jackson International	Thursday	3.575	5.8	
Stag Furniture Holdings	Tuesday	1.75	3.25	
Stewart Wrightson Holdings	Tuesday	3.85	8.15	
Sunlight Service Group (The)	Wednesday	0.5	1.4	
Tarmac	Monday	3.0	3.75	
Tootal	Thursday	1.1	2.0415	
United Newspapers	Tuesday	4.5	7.5	
Vickers	Thursday	3.85	5.964	
Wilkinson Warburton	Thursday	1.94	4.35	
Williams and James Engineering	Thursday	1.155	2.569	
Wills (George) and Sons (Holdings)	Wednesday	1.2	2.4	
Wimpey (George)	Thursday	0.75	1.5	
INTERIM FIGURES				
BAT Industries	Wednesday			
Cakebread Robey	Wednesday	0.6	1.7	
Sheffield Twist Drill Company (The)	Thursday			

* Dividends shown net pence per share and adjusted for any intervening scrip issue. † Includes special dividend of 0.0036494p. ‡ Includes non-recurring dividend of 0.57p. ¶ Includes non-recurring dividend of 0.4p. Compensating dividend include to allow for the change in the tax rate. a 0.29p.

Increase by Assam Frontier

TAXABLE PROFITS of Assam Frontier Tea Holdings showed a jump to £1.63m for the year ended June 30, 1980, compared with the depressed figure of £216,308 for the previous 18-month period. For 1977 profits reached £2.36m.

Turnover for 1979-80 was £9.37m, against £11.66m last time. Tax took £1.19m (£308,657) and there was a turnround from an attributable loss of £41,869 to profits of £294,327.

The dividend is lifted to 10p net per £1 share (5p for 18 months) while earnings per share were 29.56p (13.53p loss).

First half slip for Desoutter

FOLLOWING A decline in UK orders towards the end of the first half of this year, interim pre-tax profits of Desoutter Brothers (Holdings), precision engineer, slipped to £1.48m against £1.94m.

The directors say it will be more difficult to maintain a similar rate of profit in the second half because of a possible fall off in export orders and the continuing strength of sterling. Profits before tax for the whole of 1979 were £3.82m.

Sales in the first six months rose to £12.64m (£10.75m) and tax took £0.77m (£1.01m).

The interim dividend is held at 2.7p, absorbing £253,000 (£252,000)—last year's final was 4.5p.

Liberty loss but sees early recovery

Liberty and Co., the fabrics and carpets retailer, reports a pre-tax loss of £438,000 for the half-year to August 2, 1980, compared with profits of £204,000 in the same period last year. The interim dividend is being halved to 0.4p.

However, the Board is confident that profitability will be resumed at a very early stage, particularly as the greater part of the year's profit is normally produced in the second half.

Last year pre-tax profits were £497,000 (£1.97m) and a total dividend of 3.4p was paid.

The directors say the reconstruction of the five upper floors of the Regent Street building is proceeding according to plan and its completion in July next year will further strengthen the group's earning potential.

Sales for the first half amounted to £9.56m against £10.51m after deducting VAT of £923,000 (£727,000). The loss is after depreciation of £222,000 (£204,000) and interest of £185,000 against £156,000.

There is no UK tax charge (£137,000) but there is an overseas tax credit of £62,000 (£44,000). Loss per share is stated as 6.67p compared with 1.23p earnings last year.

Francis Shaw in red halfway

A turnround from profits of £29,305 to losses of £89,281 before tax are reported by Francis Shaw and Co., manufacturer of machinery for the rubber, plastics and cable industries, in the six months to June 30, 1980. Sales went up from £5.98m to £7.2m.

Trading losses in the second half will be reduced as a result of the contraction programme started earlier, state the directors. The costs of this will be offset by the sale of surplus assets and, after taking extraordinary items into account, they expect a small profit for the year. For the whole of 1979 there were pre-tax losses of £407,000 but a single dividend of 1.317p was paid.

The first-half loss is after interest of £295,204 (£209,972) and depreciation of £46,835 (£52,259). Tax again takes £13,350 and minorities £1,678 (£2,682), but an extraordinary credit this time of £194,770—a result of capital realisation mainly on equipment no longer needed—leaves a net surplus of £80,461 against £13,273.

Borrowings are being reduced, say the directors, and a position of positive cash flow is being approached.

Euroferries forecasting higher profit and dividend

DESPITE a downturn in first half profits from £6.7m to £3.75m, the directors of European Ferries say profits for 1980 will exceed last year's £27.01m. The interim dividend is raised from 1.5p to 1.725p and a final payment of 3.45p against 3p, is intended.

The expected profit increase *for the year is provided* there are no further setbacks in shipping and no acceleration of the current downturn in EEC economic activity, the Board says.

First half profits from the shipping division dropped from £3.41m to £1.39m, the results being adversely affected by a downturn in freight traffic and intense competition in tourist and commercial tariffs.

Tourist traffic showed useful increases despite the French fishermen's blockade, the directors add. Harbours operations contributed £865,000 against £622,000.

Property and financial services were down at £1.49m (£2.68m) but property profits will benefit from the sale of the development at High Holborn which will contribute some £15m to the full year results.

There are several smaller UK developments nearing completion and it is expected that the group's joint venture in Denver Colorado will begin to contribute profits in 1981.

Apart from ACT on dividends and a small amount of foreign tax, there will be no tax on profits for the year, the directors add.

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DIVIDENDS ANNOUNCED

		Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Assam Frontier Tea		10	Nov. 29	5	10	5
Breedon & Cloud H.	int.	2.63	Oct. 31	2.5*	—	7.5*
Camrex	int.	Nil	—	1.64	—	4.02
Desoutter Bros.	int.	2.7	Oct. 30	2.7	—	7.2
European Ferries	int.	1.73	Jan. 2	1.5	—§	4.5
Goodman Bros.		0.96	Nov. 27	0.96	0.96	0.96
Laporte	int.	3.5	Nov. 18	3.5	—	8.75
Liberty	int.	0.4	Nov. 17	0.8	—	3.4
Molins	int.	2.2	Nov. 14	2.2	—	7.9
Northern Ind. Tst.		5	Jan. 16	3.42	7	5.12
STC	int.	4‡	Nov. 6	2	—	8

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ To reduce disparity. § Final of 3.45p intended.

Camrex dives to midway loss

ON TURNOVER down by £1.2m at £10.25m, Camrex (Holdings), corrosion engineer, contractor and specialised coatings manufacturer, has plunged to pre-tax losses of £1.02m in the first half of 1980, compared with profits of £239,000.

The directors have decided to omit the interim dividend. Last year's midway payment of 1.64p was followed by a final of 2.38p, paid from 12 months' profit of £171,000.

Market conditions over the next few months will continue to be difficult, they warn, but the current restructuring should improve the group's trading capacity. Projected results for 1981 are very encouraging, they add.

Due mainly to losses in contracting operations, there was a trading deficit in the first half of £467,000 (£220,000 profit) after interest of £503,000 (£243,000) and depreciation of £272,000 (£274,000). In addition, a provision of £476,000 has been made for future losses on contracts in progress and the valuation of claims on completed contracts.

The pre-tax loss is also struck after an exceptional debit this time of £80,000 representing compensation for loss of office, and includes £6,000 (£19,000) from associates. There is a tax credit of £86,000 (nil).

An extraordinary debit of £520,000 results from rationalisation of the contracting operations. After minorities losses of £5,000 (£3,000) the attributable deficit is £1.55m (£242,000 profit).

The programme of branch closures in the contracting side is being continued says Mr. Stanley Clarke, the chairman, and a number of unprofitable overseas branches of the paint division have been closed. These measures, together with major reductions of overheads and tighter control of working capital, should start to reflect in the last quarter of 1980, they state. Nothing tangible has emerged from the enquiries received about the possible sale of the contracting operations.

The value of the marine paint order book, which forms the group's main business, is higher than for some years, particularly for 1981 and 1982.

Total borrowings of the group are not unduly high, say the directors, and all current facilities have been successfully renegotiated, Mr. Clarke says.

● comment

Former Camrex chairman Mr. Roger Wake's confidence that "1980 should show an improvement over 1979" looks to have been a little misplaced. The interim dividend has been passed, the prospect of a final looks slim and interim losses have knocked shareholders' funds down to around £5.5m while borrowings are probably topping £5m. It is to be hoped, then, that the current package of write-offs and closures has stemmed the cash outflow, and the benefits will be seen to emerge by the year-end, by which time the troublesome long-term contracts will be out of the way. At 21p, down 2p, the shares are valued at less than a third of net worth—cheap enough to hold and see whether the new-look company can achieve those "very encouraging" projected 1981 figures. To do so, it should hold the second half to break-even.

Ex-Pawson men in move to get Brigray out of red

THREE former executives of the W. L. Pawson textile group have moved into the loss-making Brigray concern in the hope of bauling it out of the red.

Mr. Robert de Keyser has become Brigray's chief executive, while Mr. Michael Binns and Mr. Michael Bancroft are now joint managing directors. The three have also been given an option to buy half of the Welsh Development Agency's (WDA) 3.2m shares (29.5 per cent) at par for two years.

"I don't see why Brigray shouldn't be making monthly profits in the current financial year," said Mr. de Keyser yesterday.

Brigray said that the Board planned to rationalise the company's activities and then develop a policy of internal and external expansion. An early return to profitability was expected, it added. Two Board members have resigned, and Mr. Corris Thomas of the WDA has been reappointed.

The Welsh Development Agency will be able to sell its remaining 1.6m shares, not covered by the option, at any time after one year, as long as they are first offered to Mr. de Keyser and his two associates at the disposal price.

Yesterday, Brigray's shares slipped by ½p to 8½p, giving it a market capitalisation of £646,000. After leaving Pawson last year, Mr. de Keyser and others bought Rembrandt Designer Collections from the Toray textile group of Japan for £1,000. Losses were then around £500,000, but the company is now in profit and expanding rapidly, he said.

Downturn at Goodman Brothers

Second-half pre-tax profits of Goodman Brothers and Stockman tumbled from £357,018 to £92,696 leaving the clothing manufacturing group with a lower figure of £431,695 for the year ended April 30, 1980, compared with £881,018. Full-year turnover edged ahead from £13.77m to £13.98m.

The directors say prospects for the current year are unpredictable, but they anticipate that the first half will show a modest turnround compared with the second six months of 1979-80.

After tax of £238,242 (£324,379) earnings per 5p share fell from 3.67p to 1.982p. The dividend is held at 0.96p net.

CCA adjusted pre-tax profits were £221,271 (£569,127).

Letraset sees reduction

A WARNING of lower profits in the current year was given by Mr. Bill Fieldhouse, chairman of Letraset, at yesterday's annual meeting.

He told shareholders that a continuation of the recession, depressed trading, strong sterling and high interest rates would result in profit levels below last year's.

Mr. Fieldhouse said that the first quarter had been satisfactory. There had been a fall in UK sales but the group remained firm in international markets.

UK trading of Stanley Gibbons was depressed, the graphics side was facing a difficult task, while trading in the leisure division was very difficult, said the chairman.

The chairman announced the sale of Sodecor in Italy but arrangements for the supply of goods would continue, he said.

Speaking after the meeting the chairman said that the group was in a good financial position to weather the year's difficulties. Although business was down gross margins in all parts of the business were being maintained. The group was not going in for price cutting to boost volume, he said.

Regarding Stanley Gibbons Mr. Fieldhouse said that although UK trading was depressed, this company was doing very well elsewhere, particularly in the U.S.

OIL SEARCH IN WILTSHIRE

The exploratory well in Yarnbury, Wiltshire, and around 50 miles west of the Humbly Grove discovery, is being drilled by a consortium comprising Carless Capel, Marinex Petroleum, Cambrian Exploration (part of Candecca Resources) and Hadson Oil UK Onshore and not the Candecca Resources consortium of Taylor Woodrow Energy, RTZ Oil and Gas, Haoma North West Oil and Gas (UK) and James Finlay, as previously reported.

Progress at Bain Dawes

Bain Dawes, the insurance broking subsidiary of Inchcape, reports an increase in profits before tax from £5.06m to £5.17m for the year to March 1980.

After minorities of £178,000 (£37,000) and an extraordinary credit this time, of £737,000, attributable profit was £2.92m compared with £2.27m.

The dividend payment, however, has been cut from £1.88m to £1.45m.

The chairman, Mr. Robin Warrender, says in his annual statement that the company suffered from the adverse effects of a strong pound to the tune of almost £0.5m.

The softness in insurance rates most seriously affected the marine, aviation and North American divisions, which together reported a profits decline of 23 per cent. But overall brokerage in the UK showed an increase of 8.2 per cent.

RESULTS AND ACCOUNTS IN BRIEF

BRASWAY (iron, steel scrap processors and tube manufacturers)—Results for year to May 3, 1980 already reported. Shareholders funds £2.06m (£1.78m). Bank overdraft and loan (secured) £1.01m (£682,164). Chairman says that at start of current year all divisions set up to trade profitably once business conditions allow and company, as presently structured, can anticipate steady growth. Meeting, Sutton Coldfield, October 9 at 2.30 pm.

ROMAI TEA HOLDINGS—Trading profit estimated to show an increase over period of months to June 30, 1979 and expected company will be able to maintain dividend at 22.5 per cent. Tea prices are dropping but costs continue to rise. Dispute with the Indian Tax authorities regarding tax on secretarial remuneration still unresolved, although latest indications are that a settlement may be negotiated shortly.

WILLIAMSON TEA HOLDINGS—Trading profit for year just ended estimated to show increase over 18 months period to June 30, 1979, and expected company will be able to maintain dividend at 12.5 per cent. Tea prices are *dropping but costs continue to rise.* Dispute with the Indian Tax authorities regarding tax on secretarial remuneration remains unresolved although latest indications are that a settlement may be negotiated shortly.

DIPLOMA (manufacturing and engineering, industrial distribution, services)—Results for the year to June 30, 1980, and prospects for the current year announced September 5. Historical pre-tax profits of 7.92m (£5.89m) reduced to £6.1m (£5.49m) on a CCA basis. Shareholders' funds £14.81m (£12.81m), bank balances and cash £682,000 (£2.5m), bank overdrafts £295,000 (£217,000), stock and work in progress £18.74m (£12.83m). As already known, the company's 25p shares are being sub-divided into 10p units. Dealings in the new form are expected to commence on October 13. Meeting, Great Eastern Hotel, EC, October 10, noon.

MALASYIA RUBBER COMPANY—Results for year to March 31, 1980, reported August 16. Shareholders' funds £380,291 (£372,488), short-term deposits £27,000 (£22,00), balances at banks £1,836 (£4,946). The chairman states that the plantation companies continue to earn good profits and their prospects for the next few years seem good. Meeting, London, EC, October 8 at noon.

A. J. WORTHINGTON (textile product manufacturers)—Results for year to March 31, 1980, already reported. Shareholders' funds £0.99m (£0.95m). Bank loan and overdraft £140,313 (£25,042). Meeting, Leek, Staffs., October 8, at 11 am.

HAMPTON TRUST (property development and investment)—Results for year to March 31, 1980, already known. Shareholders' funds £1.43m (£1.01m), listed investments at market value £98,325 (£9,000), deposits and bank balances £7,526 (£5,561), overdraft £18,696 (£326,457). Meeting, 116, Pall Mall, SW, October 9, at noon.

PETER BLACK HOLDINGS (footwear and travel goods maker)—Results for year to April 30, 1980, reported on August 8. Shareholders' funds £12.41m (£10.28m), bank overdraft (secured) £933,000 (£2.01m). Chairman says retail sales are likely to remain under pressure at least throughout the current year. The balance sheet is stronger than it has been for many years and the company is ready to take advantage of any fall in interest rates. Meeting, Winchester House, 100, Old Broad Street, EC, October 10, 12.30 pm.

AAH (fuel and wholesale distributor)—Results for year to March 31, 1980, reported in full preliminary report on August 5. Shareholders' funds £21.28m (£18.06m), debtors and bills receivable £44.38m (£37.6m), bank overdrafts (unsecured) £10.77m (£5.66m). Historical pre-tax profits reduced from £9.07m (£6.82m) to £6.72m (£5.39m) on a CCA basis. Meeting, Quaglino's, St. James's, SW, October 10, noon.

MANSON FINANCE TRUST—Results for year to April 30, 1980, announced July 30. Shareholders' funds £21.6m (£17.09m), loans and advances £7.34m (£4.93m), which includes bank overdrafts of £1.39m (£0.87m). Joint chairmen say that trading conditions during the first four months of the current year have been affected by continued high interest rates and the recession in the UK, but indications are that business activity is now recovering and they look to future with very considerable confidence. Meeting, Grosvenor House Hotel, Park Lane, W, October 9, noon.

WATSHAM'S (optical instrumentation and industrial safety products)—Results for year to March 31, 1980, already reported. Shareholders' funds £3.12m (£3.01m), bank deposits, cash and investments £1.2m (£1.32m). Meeting, *High Road, Willesden, NW,* October 17, at noon.

JAMES AUSTIN STEEL HOLDINGS (steel stockholding, structural engineering, equipment leasing)—Results for year ended March 31, 1980 reported August 8 with prospects. Shareholders' funds £4.65m (£4.41m). Bank deposit account £148,406 (£156,856), cash £959 (£708). Meeting, Ossett, West Yorkshire, October 13, noon.

HARRISONS MALAYSIAN ESTATES—Results for year ended March 31, 1980 reported September 11 with *prospects.* Shareholders' funds £83.33m (£84.59m). Investments £3.38m (£2.07m), short-term deposits £33.8m (£25.15m), bank balances and cash £3.82m (£9.76m). Ultimate holding company is Harrisons and Crosfield. Meeting, The Baltic Exchange, October 13, 11 am.

RELIANCE KNITWEAR GROUP—Results for year to April 30, 1980 reported August 22. Shareholders' funds £3.5m (£3.85m), cash £5,777 (£1,954), overdraft £876,724 (£825,359), loans £289,000 (£623,713). Chairman states *that group will* continue to seek opportunities to diversify. Meeting, Halifax, October 8 at noon.

HEITON HOLDINGS (coal merchant and builders provider)—Results for year ended April 30, 1980 already known. Shareholders' funds IR£9.23m (£8.71m). Medium term debt £4.21m (£3.76m). Short term debt £1.24m (£0.3m). Bank balances and cash £9,005 (£188,127). Meeting, Dublin, October 9, noon.

SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and deals

Thomas Tilling continued its rapid U.S. expansion with the planned purchase of **Bourns Medical Systems** of Los Angeles for $8.5m (£3.5m).

Anglo-Continental, a subsidiary of Generale Occidentale, is negotiating to sell 53 per cent of **Wigham Poland**, the Lloyd's of London insurance broking group, to **Fred S. James** of the U.S., the world's sixth largest insurance broker. Anglo-Continental owns about 68 per cent of Wigham while 25 per cent is owned by Thomson Organisation. The latter proposes to increase its stake in Wigham to 35 per cent by buying the balance of Anglo's stake after the deal with James.

Marler Estates, the property development company, confirmed that it had received more than one approach which might lead to an offer for the company. This followed a definite offer for a substantial part of the 48 per cent of Marler owned by Blade Investments. Marler's share price had signified the likelihood of bid developments, by doubling in the last month.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder	Final Acc't'ce date
Prices in pence unless otherwise indicated.						
B & Q (Retail)	85*	82	66	1.66	F. W. Wlwth.	29/9
Christy Bros.¶¶	30*	40	33	0.60	Simon and Coates	—
Coral Leisure	103	91	65½††	88.05	Grand Met.	—
Gough Cooper	120*§	127	102	6.65	Starwest	—
Kayser Bondor	100*§	46	56	0.67	Courtaulds	—
Laurence Scott	68§	70	60	4.68	Mng. Supplies	—
Le Bas (Edward)	85*	81	53††	2.13	Burch Hldgs.	—
Lidstone	280*	305	290	0.51	Security Exchange	—
Macanie (Lond.)	30*	30	23	0.38	Courtaulds	—
Marshall Cavendish¶¶	31*	31	27	4.60	Times Publshg. Berhad	—
Progressive Secs.	112†‖	113	91	2.51	Hawley Leisure	—
Revertex	52§	44	44	7.40	Yule Catto	—
Tanjong Tin	115*§	129	115	1.20	Pahang Cons.	—

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ** Based on 19/9/80. †† At suspension. ‡‡ Estimated. §§ Shares and cash. ¶¶ Unconditional. ‖ Based on NAV.

Offers for sale, placings and introductions

John Baker (Insulation) is placing 5m preferred ordinary shares of 10p each at 15p per share and 750,000 7 per cent convertible redeemable cumulative preference shares of £1 each at £1 per share.
Mitel: London Listing.
Toshiba: London Listing.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Burns-Anderson	June	1,020	(857)	6.5	(8.1)	2.0	(1.66)
Chmbrs. & Fargus	June	356	(213)	4.7	(2.9)	1.5	(0.75)
Charnos	Dec.	1,100	(734)	42.0	(18.1)	1.06	(1.06)
Cons. Gold Fields	June	141,900	(88,300)	60.5	(38.1)	22.5	(13.5)
Dalgety	June	33,300	(31,500)	28.3	(46.3)	22.0	(20.0)
Epicure Hldgs.	June	705	(466)	3.0	(2.4)	1.25	(1.0)
G. T. Japan Inv.	June	452	(766)	4.8	(7.1)	4.0	(7.0)
Jentique	June	235	(573)	2.7	(5.1)	1.03	(2.45)
Link House	June	4,200	(3,030)	16.6	(11.8)	8.4	(—)
Lond. Merc. Secs.	June	7,601	(5,234)	4.8	(4.6)	1.2	(0.96)
Scholes (Geo.)	June	2,480	(1,630)	36.5	(28.2)	18.52	(18.52)
Second City	April	1,200	(1,070)	7.3	(7.5)	2.22	(2.07)
Shaw & Marvin	Mar.	204L	(43)	—	(1.4)	—	(0.35)
Sirdar	June	3,726	(3,196)	26.3	(21.2)	5.0	(4.0)
Trafford Park	June	1,520	(1,130)	8.3	(8.9)	6.0	(4.96)
Walker (Alfred)	June	123	(53)	—	(—)	—	(—)
Westmnstr. Cntry.	April	428	(177)	14.8	(12.2)	3.0	(1.5)

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Armitage Bros.	July	116	(277)	—	(—)
Baird (William)	June	3,500	(3,311)	5.6	(5.25)
Barrow Hepburn	June	1,020	(1,460)	0.8	(0.8)
Bemrose Corp.	June	114	(890)	—	(2.23)
Berwick Timpo	June	288L	(414)	2.0	(2.0)
Bifurcated Engn.	June	478	(819)	1.15	(1.15)
Blackleys	June	178	(95)	1.75	(1.5)
Boddngtns. Brwy.	June	2,340	(1,810)	1.4	(1.17)
Bodycote Intl.	June	762	(1,150)	2.0	(2.0)
Booker McConnell	June	5,620	(10,890)	1.25	(1.25)
British Mohair	June	168L	(915)	0.96	(0.96)
Brown Boveri Knt.	June	536	(3,064)	—	(1.0)
Burmah Oil	June	28,170	(20,190)	1.5	(1.5)
Corinthian Hldgs.	June	272	(251)	0.75	(0.5)
Cory (Horace)	June	178	(249)	0.6	(0.6)
Croda Intl.	June	3,780	(7,630)	1.5	(1.5)
Delta Metal	June	13,450	(14,050)	1.82	(1.82)
Eagle Star Hldgs.	June	29,500	(23,400)	5.0	(4.15)
Early (Charles)	Aug.	47L	(173)	0.32	(0.32)
Expanded Metal	June	1,110	(1,170)	2.0	(2.0)
Federated Land	June	487	(626)	1.1	(1.0)
Fisher (James)	June	2,150	(1,930)	1.0	(0.75)
Garton Engn.	June	341	(430)	3.15	(3.15)
GKN	June	22,400	(53,500)	4.0	(5.84)
Hanson Trust	June	27,000†	(21,000)†	—	(—)
Harrison Cowley	June	613	(401)	1.4	(—)
Hestair	July	453	(55)	—	(—)
Home Charm	June	638	(1,160)	0.7	(0.7)
IDC Group	April	209	(502)	1.21	(1.1)
Ingham (George)	June	‡	(25)	—	(—)
Inveresk	June	1,570L	(307)	—	(1.0)
Law Land	June	88	(77)	0.55	(0.5)
Leadenhall Stlg.	June	460	(492)	1.38	(1.25)
Legal & General	June	11,600	(9,400)	3.0	(2.6)
Liverpool Post	June	610	(1,890)	3.46	(3.46)
Low & Bonar	May	3,940	(4,459)	5.0	(5.0)
Martin-Black	June	102L	(109)L	—	(—)
Marshall (Thos.)	June	226	(125)	1.2	(1.2)
Matthews (Bnrd.)	July	1,700	(1,420)	4.0	(3.25)
McLaughlin Hrvy.	June	557	(425)	1.8	(—)
Ofrex Group	June	1,770	(2,590)	1.17	(1.17)
Oliver (Geo.)	June	261	(610)	1.1	(1.0)
Perry (H.) Motors	June	2,120	(3,150)	1.5	(1.5)
Phicom	June	428	(1,030)	0.45	(0.45)
Pittard	June	46	(957)	1.38	(1.35)
Richards Wallgtn.	June	439	(1,180)	—	(1.85)
Rwntree. Mckntsh.	June	4,300	(9,300)	2.5	(2.5)
Rowton Hotels	June	400	(488)	3.15	(3.15)
RTZ	June	295,200	(199,300)	5.5	(4.5)
Simon Engn.	June	7,620	(7,250)	4.0	(4.0)
Steetley	June	8,960	(9,840)	4.0	(4.0)
Travis & Arnold	June	3,120	(2,410)	0.64	(0.58)
Tricentrol	June	21,420	(7,220)	2.8	(2.8)
UDS Group	Aug.	2,050	(10,040)	2.6	(2.6)
U.S. Debenture	July	2,390	(1,810)	2.0	(2.0)
Wadkin	June	119L	(620)	1.5	(2.25)
Watts Blake	June	1,920	(1,588)	1.23	(1.04)
Willis Faber	June	11,940	(10,060)	3.8	(3.5)
Wilkes (James)	June	230	(161)	1.5	(1.5)
Wood (Arthur)	June	24	(21)	—	(—)

(Figures in parentheses are for corresponding period.)
* Dividends shown net except where otherwise stated. † Pre-tax profits for the first nine months. ‡ Pre-tax loss of £21. L Loss.

Scrip Issues

London Merchant Securities: One for three on both ordinary and deferred ordinary shares.

Rights Issues

Commercial Bank of The Near East is raising £977,000 by way of a rights issue on the basis of one for one at £5 per share.
John Baker (Insulation) is raising £466,000 by way of a rights issue on the basis of 20 new preferred ordinary shares of 10p each and three convertible shares for every six preferred ordinary shares of £1 each.
Rio Tinto-Zinc Corporation: Rights issue of £125.9m 9½ per cent convertible unsecured loan stock 1995-2000—to raise £123m net of expenses.

RTD chief clarifies share sale position

THE confusion over the sale of Mr. Dermot Ryan's shares in RTD Group has been cleared up. It arose when Mr. Ryan, chairman of RTD, said at the company's AGM earlier this week that he had changed his mind about selling his controlling interest in the company to Mr. Jim Dyer, the former chief executive of Arstrong Armstrong Equipment's fastenings division.

Mr. Ryan cited the group's present trading losses as his reason for wanting to back out. But Simon and Coates, acting for Mr. Dyer, said that it was too late for him to pull out as the deal had been done.

At a meeting of Simon and Coates and Mr. Ryan on Thursday the following joint statement was agreed.

"Simon and Coates accepts that Mr. Ryan's statement was for good reasons. The concern of Mr. Ryan not to forego his responsibilities where the trading situation had deteriorated was recognised. However, Simon and Coates and Mr. Dyer wish to make it clear that in the present economic climate, with high interest rates and the strength of sterling, the current trading is in no way surprising to them and does not reflect on the management of RTD.

"The two parties are now in full agreement to proceed and Mr. Ryan will complete the agreement."

A meeting of RTD will be held by September 23 to appoint Mr. Dyer to the Board.

ASSOCIATES DEALS

S. G. Warburg and Co., as an associate of Grand Metropolitan, yesterday bought on behalf of discretionary investment clients, 50,000 Grand Metropolitan at 157p.

As an associate of Kayser Bondor and Macanie (London) Warburg yesterday bought on behalf of discretionary investment clients 200,000 Courtaulds at 61p.

CHAMBERLAIN PHIPPS

Chamberlain Phipps has bought the minority holding of 29.3 per cent in its subsidiary Tivoli Kay Adhesives, for £170,000 satisfied by 500,000 ordinary shares.

BOC-YEWLANDS ENG.

In a deal worth some £250,000, Yewlands Engineering Co. of Hainault, Essex, is to buy the light engineering unit of BOC's welding division in Edmonton, North London.

BAMLETT SELLS SAMETRAC

A. C. Bamlett, the Thirsk Yorkshire agricultural machinery manufacturer and distributor, has sold its wholly-owned subsidiary, Sametrac, to Same Tractors of Italy.

Bamlett has represented the Italian tractor producer in the British Isles since 1971. Sametrac was formed in 1978 to extend market penetration and sales in 1979 exceeded £3.6m.

The move will enable Bamlett to concentrate its resources behind the development of its manufacturing capacity and product range, both of which have recently been extended following the acquisition of the Barford seed drill business.

Lyon & Lyon selling off J. Harker Ltd. for £0.5m

AGREEMENT HAS been reached for Lyon and Lyon, the transport vehicle distribution and ship repairing group, to sell its tank craft operating subsidiary, John Harker to John H. Whitaker (Holdings) of Hull for £500,000 cash.

The net assets realised for this consideration is some £160,000, giving a surplus over book amount of £340,000. Profits of John Harker before tax and extraordinary items in 1979 amounted to £131,000.

Excluded from the net assets is a loan of £1.05m due to John Harker from Lyon and Lyon, repayment of which is to be waived by the purchaser.

The additional cash inflow arising from this transaction supplements the existing adequate working capital of the Lyon and Lyon group, the directors say.

The immediate effect is that bank overdraft will be cleared and interest charges reduced. Thereafter the group is in an enhanced position both to continue expansion of existing trading activities and take advantage of other trading opportunities which may arise, the board states.

LONDON EQUITABLE/ WEST KENT ESTATES

The offer for West Kent Estates by London Equitable Estates closed on September 16, and in view of the agreed terms from Anglo Metropolitan Holdings, it has been decided not to proceed further with the offer. Acceptances have been returned.

SHARE STAKES

Bolton Textile Mill—The I.T.C. Pension Trust holds 625,000 ordinary shares jointly with the I.T.C. Pension Investment.

Granada Group—Mr. C. G. Bernstein, director, disposed of 100,000 "A" ordinary shares (0.069 per cent).

Crystalate (Holdings)—Mr. J. C. South, director, disposed of 100,000 ordinary shares.

Olives Paper Mill—K. C. Sethia (Investments) purchased a holding of 182,500 ordinary shares (5.7 per cent).

Tanjong Tin Dredging—Tien IK Enterprises Sdn. Berhad acquired 319,500 ordinary shares, bringing holding to 704,500 (47.39 per cent).

Shiloh Spinners—Mr. G. E. Davis acquired a further 5,000 shares and now holds 7.8 per cent.

Racal Electronics—Mr. E. T. Harrison, chairman, disposed of 90,000 shares.

Harrisons and Crosfield—Kuwait Investment Office acquired a further 300,000 shares and now hold 4,100,917 (7.02 per cent).

Growth at Norwich Winterthur

BY JOHN WICKS

A 12 per cent increase in net premium income is reported for the past year by the Norwich Winterthur Group, an international joint venture in the field of direct and reinsurance headed by Norwich Winterthur Holdings (Norwich and London), and the Swiss-based Winterthur Norwich Rueckversicherungsgesellschaft.

Both parent companies are owned 45 per cent each by Norwich Union Fire and Winterthur Swiss Insurance, with a 10 per cent stake held by the Chiyoda Group of Japan.

Group premiums reached a combined total of £128.1m in 1979, of which £77.6m was accounted for Norwich Winterthur Holdings' companies and £50.5m by Winterthur Norwich Rueckversicherungsgesellschaft.

Earnings again showed a gratifying growth, it is stated, retained profits rising from £4.92m to £6.76m; of this, £6.22m was contributed by Norwich Winterthur Holdings.

SPAIN

September 19	Price %	+ or −
Banco Bilbao	241	
Banco Central	275	
Banco Exterior	214	
Banco Hispano	230	−4
Banco Ind. Cat.	130	
Banco Madrid	141	
Banco Santander	276	
Banco Urquijo	138	−2
Banco Vizcaya	252	
Banco Zaragoza	244	+3
Dragados	117	−2
Espanola Zinc	72.5	+0.5
Fecsa	64	−0.5
Gal. Preciados	35	−1
Hidrola	68.5	
Iberduero	65.7	−0.8
Petroleos	118	−3
Petroliber	89	
Sogefisa	107	
Telefonica	63	
Union Elect.	69.5	−0.5

GEORGE INGHAM

For the first half of 1980, George Ingham and Company (Holdings), worsted spinner, incurred a loss of £21, compared with profit of £25,290 last time. In Tuesday's report, the loss was incorrectly stated as £21,000.

LONDON TRADED OPTIONS

Option	Exercise price	Oct. Closing offer	Oct. Vol.	Jan. Closing offer	Jan. Vol.	April Closing offer	April Vol.	Equity close
BP	560	16	10	58	5	58	4	359p
BP	580	4½	10	21	18	—	—	"
Com. Union	160	80	0	28	—	32	—	179p
Com. Union	180	6	—	15	1	19	9	"
Cons. Gold	500	130	6	160	5	165	—	685p
Cons. Gold	550	80	38	108	18	130	5	"
Cons. Gold	600	39	80	78	48	105	3	"
Cons. Gold	650	13	66	58	73	83	7	"
Courtaulds	60	4½	—	7½	75	11½	1	60p
GEC	460	80	14	108	—	185	—	529p
GEC	500	45	5	75	—	93	—	"
GEC	550	12	6	45	1	65	—	"
Grand Met.	130	38	2	26	—	—	—	157p
Grand Met.	160	5	10	15	37	21	—	"
ICI	330	32	9	48	—	62	—	354p
ICI	380	2½	—	16	22	24	—	"
Land Secs.	390	17	10	37	10	66	—	390p
Land Secs.	420	8	—	28	8	38	—	"
Marks & Sp.	100	9	20	14½	—	18	—	107p
Marks & Sp.	110	3½	14	8	7	14	—	"
Shell	420	14	1	34	6	48	—	414p
Shell	460	4	—	18	1	32	—	"
Totals			280		516		98	
		November		February		May		
Imperial Gp.	80	4½	—	8	8	11½	80	78p
Imperial Gp.	90	1½	—	4½	—	6	12	"
Lonrho	84	25	25	26	—	—	—	106p
Lonrho	94	15	—	20	1	—	—	"
Lonrho	101	9½	13	14½	—	—	—	"
Lonrho	114	4	7	9	—	—	—	"
P. & O.	110	20½	7	22½	—	—	—	126p
P. & O.	130	7	12	10	—	15	—	"
Racal Elec.	300	37	5	64	—	68	—	321p
Racal Elec.	330	20	—	37	1	60	—	"
Racal Elec.	360	7	—	24	1	36	—	"
RTZ	420	72	10	85	1	110	—	474p
RTZ	460	43	5	68	10	86	—	"
RTZ	500	23	11	48	1	68	—	"
Totals			05		17		32	

M. J. H. Nightingale & Co. Limited

27/28 Lovat Lane London EC3R 8EB Telephone 01-621 1212

1979-80 High	1979-80 Low	Company	Price	Change	Gross Div (p)	Yield %	P/E
99	50	Allsprung	50	− 1	6.7	13.4	3.0
50	21	Armitage and Rhodes	22	—	1.4	6.4	9.1
173	92½	Bardon Hill	173	+ 1	9.7	5.6	8.5
100	74	County Cars 10.7% Pf.	74	—	15.3	20.7	—†
101	83	Deborah Ord	97	—	5.5	5.7	4.8
126	88	Frank Horsell	121	− 1	7.9	6.5	3.6
129	66	Frederick Parker	66	—	11.0	16.7	3.0
156	83	George Blair	83	− 1	3.1	3.7	—
84	45	Jackson Group	81	− 1	6.0	7.4	3.1
153	103	James Burrough	121	—	7.9	6.5	9.9†
305	242	Robert Jenkins	305	—	31.3	10.2	—
232	175	Torday	220	—	15.1	6.9	3.7
34	10	Twinlock Ord.	11¼	—	—	—	—
90	70	Twinlock 15% ULS	83	− 1	15.0	18.1	—†
56	23	Unilock Holdings	45	—	3.0	6.6	6.9
101	42	Walter Alexander	100	—	5.7	5.7	6.5
245	138	W. S. Yeates	245	− 2	12.1	5.0	4.0

† Accounts not prepared under provisions of SSAP 15.

CORAL INDEX: Close 493-498 (−3)

WORLD STOCK MARKETS

Early 8.4 rise on Wall St.

HIGHER LEVELS developed on Wall Street yesterday despite another rise in the Prime Rate to 12½ per cent from 12¼ per cent by many major banks.

By 1 pm the Dow Jones Industrial Average was up 8.45 at 964.93, making a rise of 28.41 on the week. The NYSE All Common Index, at $74.86, rose 50 cents on the day and $2.21 on the week, while advances led declines by an eight-to-five majority. Trading volume, however, fell 18.59m shares to 35.4m compared with 1 pm Thursday.

Analysts said the Prime Rate rise was no surprise and added that in the Credit Markets, interest rates were lower.

They tied much of the strength to a bull market psychology. "There is a great feeling of euphoria among speculators, although Institutions are a bit more sceptical."

Analysts also cited speculation that short interest figures, due after the close, would show a big jump. Short interest represents stored demand since the shares must be repurchased at some point, often during rising markets to cut losses.

Precious Metals advanced as bullion prices rose. ASA gained $3¼ to $79¼, Dome Mines $3 to $120, Hecla Mining $1⅝ to $46¾ and Callahan Mining $1⅞ to $35½.

Ashland Oil eased $½ to $40½ — it may not be able to collect a $400m Jury award because of the financial condition of the defendant.

Toro fell $1⅛ to $18¼ — it reported a fiscal fourth quarter loss and forecast a first quarter loss as well.

Active American Telephone gained $½ to $54½, Eastman Kodak $1⅛ to $66¼, General Motors $1⅞ to $58⅞, Teledyne $2 to $206¼ and Superior Oils $5¾ to $231¾.

In the Computer Group, active IBM added $½ at $67, Texas Instruments $2¾ at $137, Burroughs $⅞ at $70¼, Digital Equipment $2 at $90¼ and National Semiconductor $⅞ at $40½.

Johns-Manville put on $1 to $28 and Standard Oil of California $¾ to $75—they continue to study the feasibility of developing a Montana platinum claim.

Pullman improved $1¾ to $50 and McDermott $¾ to $31, while Wheelabrator-Frye held unchanged at $47¾. Wheelabrator raised to 5.5m from 4m the number of Pullman shares it will buy for $52.50 cash apiece. The bid tops a McDermott offer.

Procter and Gamble lost $1¼ to $77—it halted production of its tampon "Rely" which a recent Government study said could be linked to toxic shock syndrome.

THE AMERICAN SE Market Value Index shed 0.25 to 339.89, making a loss of 1.46 on the week. Volume 5.22m (5.99m) shares.

Volume leader Tubos de Acero gained $⅛ to $9⅜.

Computer issues rose. Amdahl, which announced some product enhancements, added $½ at $32, active Bradford Computer $1¾ at $13⅜ and Dataproducts $1⅜ at $32.

Kirby Exploration dropped $19½ to $131—it agreed to be acquired by investment bankers Kohlberg Kravis Roberts for $98 a share after a dividend to all stockholders of a continuing interest in certain oil and gas properties.

Midland Glass fell $4¼ to $11—it ended merger talks with a company it had never identified.

Canada

Markets continued lower in heavy trading around noon yesterday, when the Toronto Composite Index fell 11.1 to 2,303.0.

The Metals and Minerals Index dipped 16.1 to 2,398.9, Oil and Gas 63.1 to 4,498.3 and Papers 0.72 to 211.03. But Golds rose 81.9 to 5,834.5, Banks 1.05 to 384.20 and Utilities 0.30 to 277.58.

Australia

Easier in quiet trading. Attention was focused on the Sydney All-Ordinaries Index, which closed Thursday just short of the 1,000 mark.

The Index failed to crack that mark, held down by selected Heavyweights and Speculative issues, which drifted aimlessly throughout the day.

Lower Gold and Base Metal prices also dulled markets, particularly Silver.

Gold Mines were mixed, although speculative Golds were generally lower.

Oil shales were weak following the announcement from Esso, a partner with Central Pacific and Southern Pacific in the Rundle project, that the first stage of the project would cost more than three times the original estimate.

Pan D'or proved the exception, finishing stronger while other small Oil Shales such as Alpha, East Coast and IMC lost ground.

Hong Kong

Higher in very active trading, with the Hang Seng Index up another 29.12 at 1282.88 in the third straight day of intense buying, sending the Index to its highest since March 28, 1973, when it stood at 1,285.94.

The cut in the West German Lombard Rate and soft conditions in the local Interbank Market make the prospect of higher interest rates unlikely at today's meeting of the Exchange Banks Interest Rate Fixing Committee.

Presales of units at a Shatin City Centre Development in the new territories start on Monday and joint developers at the site led Properties higher because high prices are expected.

Companies involved at Shatin advanced, with Sun Hung Kai Properties adding $HK1 at $HK16.40, Cheung Kong $HK1.50 at 28.30 and New World 50 cents at 6.20.

Other Properties advanced in sympathy.

Profit-taking hit *Jardine Matheson*, off 20 cents at 26.11, after 27.0. The 7.5 per cent Convertible Loan followed suit, dropping $HK2 to $HK181.

Tokyo

Prices closed marginally higher, mainly because of active buying of capital-intensive stocks.

Nippon Steel rose Y4 to Y143 on Active Foreign buying, followed by Kawasaki Steel, up Y3 to Y140, Sumitomo Metal Industries Y6 to Y17? and Toshiba Y5 to Y216.

Electricals fell sharply on profit-taking.

Germany

Banks led the market broadly higher in the wake of the Bundesbank's decision on Thursday to relax monetary policies.

Dresdner Bank led the sector, gaining DM 8.20 to 192.8 in lively trading, which also saw Bond prices rising steadily.

In firm Chemicals, Hoechst added DM 1.1 at 113.7, but lagging the field after announced short-time work at several plants.

Kaufhof gained DM 6 to 195.

In Options trading turnover and prices rose and business activity centred on Calls for Philips, Bayer and Babcock and Puts for Alcan, Chrysler and Hoesch.

On the Domestic Bond Market, Public Authority Loans improved by as much as DM 1, and the Bundesbank sold DM 22m net of stock.

Mark Eurobonds were also firmer.

Amsterdam

Mainly lower, with Constructions weak.

Volker Stevin requoted Fl 7.50 down at Fl 37.50 from its pre-suspension close.

WUH gained Fl 2 to 243 in mixed Mortgage Banks.

State Loans firmed after Central Bank's announcement of a 0.5 per cent cut in Dutch Bank Rate, with the latest 10½ per cent State Loan rising to 101.10 from 100.60 at early afternoon.

Turnover on the European Options Exchange fell to 2,535 contracts. Royal Dutch, the most actively traded, with 1,351 contracts.

Closing prices for North America were not available for this edition.

Indices

NEW YORK — DOW JONES

	Sept. 18	Sept. 17	Sept. 16	Sept. 15	Sept. 12	Sept. 11	1980 High	1980 Low	Since Cmpil'tn High	Since Cmpil'tn Low
e Industr'ls	955.40	961.26	945.90	957.65	938.52	941.30	965.72 (15/8)	759.13 (21/4)	1051.70 (11/73)	41.22 (2/7/32)
H'me B'nds	68.26	66.22	68.14	68.38	69.16	68.62	75.61 (25/6)	65.87 (28/3)	—	—
Transport	345.08	345.91	369.01	329.48	321.26	321.21	346.61 (17/8)	233.86 (27/3)	345.91 (17/9/80)	12.23 (8/7/32)
Utilities	112.68	112.00	112.71	111.90	112.16	112.42	116.96 (3/7)	96.04 (27/3)	163.32 (20/4/69)	10.52 (28/4/42)
Trading Vol 000's	65,330	53,990	57,290	44,562	47,168	44,770	—	—	—	—

e Day's high 979.01 low 950.86

Ind. div. yield %	Sept 19	Sept. 5	Aug. 29	Year ago (approx)
	5.74	5.72	5.75	5.65

STANDARD AND POORS

	Sept 19	Sept. 17	Sept. 16	Sept. 15	Sept. 12	Sept. 11	1980 High	1980 Low	Since Cmpil'tn High	Since Cmpil'tn Low
‡Indust'ls	145.80	146.41	143.86	142.87	142.57	142.71	146.41 (17/9)	117.09 (27/7)	146.41 (17/9/80)	3.52 (30/6/32)
§Composite	128.40	128.87	126.74	125.87	125.54	125.66	128.67 (17/9)	98.22 (13.8)	128.87 (17/9/80)	4.40 (1/6/32)

	Sept. 17	Sept. 10	Sept. 3	Year ago (approx)
Ind. div. yield %	4.54	4.59	4.64	5.06
Ind. P/E Ratio	8.81	8.62	8.51	8.04
Long Gov. Bond Yield	11.46	11.03	11.02	9.13

N.Y.S.E. ALL COMMON

Sept. 18	Sept. 17	Sept. 16	Sept. 15	1980 High	1980 Low
74.36	74.87	73.41	72.75	74.37 (17/9)	26.80 (27/3)

Rises and Falls	Sept. 18	Sept. 17	Sept. 16
Issues Traded	1,940	1,911	1,923
Rises	705	1,022	1,053
Falls	879	485	517
Unchanged	356	428	353
New Highs	234	272	260
New Lows	5	0	4

MONTREAL

	Sept. 18	Sept. 17	Sept. 16	Sept. 15	1980 High	1980 Low
Industrial	381.65	387.29	386.02	384.71	425.80 (29/2)	325.21 (27/3)
Combined	367.59	371.05	366.56	366.26	376.96 (29/2)	286.98 (27/3)
TORONTO Composite	2314.1	2345.2	2326.0	2,316.1	2346.2 (17/9)	1702.6 (27/3)

NEW YORK ACTIVE STOCKS

Thursday	Stocks traded	Closing price	Change on day
Sony	1,049,300	15⅞	—
IBM	1,026,000	66½	−¾
Texaco	640,900	34⅞	−¼
Boeing	589,200	40¾	−½
Storage Tech.	567,100	22¼	+⅜
Victoria Elec.	517,600	11	—
Gulf & Western	457,300	20½	−⅛
Nat. Semcndtr.	447,300	39¾	+⅛
Citicorp	436,500	22½	—
Gen. Motors	432,500	56⅝	−¼

	Sept. 19	Sept. 18	Sept. 17	Sept. 16	1980 High	1980 Low
AUSTRALIA						
Sydney All Ord. (1/1/80)	990.22	994.52	987.48	960.16	994.52 (18/9)	788.00 (2/1)
Metal & Minrls. (1/1/80)	6507.74	6597.16	6605.75	6409.61	8650.95 (14/2)	4561.26 (28/8)
AUSTRIA						
Credit Aktien (2/1/62)	66.42	66.47	66.30	66.46	69.40 (7/1)	65.59 (18/6)
BELGIUM						
Belgian SE (31/12/63)	90.67	91.42	91.16	90.78	105.75 (11/2)	90.14 (31/8)
DENMARK						
Copenhagen SE (1/1/73)	90.96	90.45	90.00	90.02	90.96 (19/9)	74.78 (6/6)
FRANCE						
CAC General (29/12/61)	111.70	112.5	112.5	112.8	117.0 (22/2)	97.1 (5/1)
Ind Tendance (28/12/79)	117.8	118.6	118.6	118.8	119.4 (15/8)	96.8 (3/1)
GERMANY						
FAZ-Aktien (31/12/58)	232.79	233.25	230.22	229.34	266.86 (25/2)	212.78 (28/8)
Commerzbank (Dec. 1953)	751.16	728.1	722.3	719.0	749.2 (25/2)	667.0 (27/6)
HOLLAND						
ANP-CBS General (1970)	96.0	65.6	85.5	85.9	63.0 (26/7)	74.0 (27/6)
ANP-CBS Indust. (1970)	65.6	64.9	64.3	64.2	69.2 (11/1)	58.2 (28/5)
HONG KONG						
Hang Seng Bank (31/7/64)	1282.69	1253.76	1244.93	1222.93	1282.96 (18/9)	736.9 (18/8)
ITALY						
Banca Comm. Ital (1972)	137.45	184.36	130.67	188.81	187.46 (18/9)	83.11 (2/1)
JAPAN						
Dow Average (16/5/49)	7041.66	7635.84	7031.51	7826.16	7841.86 (19/9)	6475.93 (27/3)
Tokyo New SE (4/1/68)	487.12	486.70	489.11	485.50	487.12 (19/9)	469.01 (10/8)
NORWAY						
Oslo SE (1/1/72)	124.74	126.63	128.82	126.16	144.79 (14/2)	118.12 (28/5)
SINGAPORE						
Straits Times (1966)	646.00	636.11	640.11	628.12	646.00 (19/9)	429.76 (6/1)
SOUTH AFRICA						
Gold (1958)	—	961.6	959.2	924.4	961.6 (18/9)	649.5 (2/7)
Industrial (1958)	—	614.1	615.5	617.0	627.1 (8/9)	466.5 (2/1)
SPAIN						
Madrid SE (28/12/79)	109.09	110.89	111.65	111.17	111.17 (16/9)	93.78 (13/5)
SWEDEN						
Jacobson & P. (1/1/58)	553.46	552.43	551.36	558.98	566.98 (6/2)	354.72 (17/1)
SWITZERLAND						
Swiss BankCpn. (31/12/58)	311.6	316.5	318.8	318.2	317.6 (11/2)	279.8 (26/6)
WORLD						
Capital Intl. (1/1/70)	—	156.1	155.4	156.7	156.4 (17/9)	128.8 (27/3)

Base values of all Indices are 100 except NYSE All Common—50; Standard and Poors—10; and Toronto—1,000; the last named based on 1975. † Excluding bonds. ‡ 400 Industrials. § 400 Industrials plus 40 Utilities, 40 Financials and 20 Transports. e Closed. u Unavailable.

FRENCH CEMENT GROUP DIVERSIFIES

Lafarge to buy Belgian biochemists

BY DAVID WHITE IN PARIS

LAFARGE, the French cement group, is on the point of diversifying into the biochemical industry by taking control of the Coppee group of Belgium.

Tha two groups are completing studies on an industrial link-up. The deal would involve Lafarge buying the Coppee family's controlling 57 per cent stake, valned at FFr 192m ($46m).

In exchange the Coppee family would receive 600,000 newly-created Lafarge shares, giving tbem a stake of a little under 9 per cent in Lafarge, which is the world's third largest cement business.

Lafarge plans to offer bnlders of the publicly quoted shares of the Coppee holding cnmpany, Compaignie Coppee de Developpement (CDI), who bave 7 per cent of the capital, casb payment on an equivalent basis.

A question-mark bangs over the remaining 36 per cent of the shares which are held by Societe de Traction et d'Electricite, a aubsidiary of Societe Generale de Belgique. The Coppee family bas pre-emptive rights on these shares if they are put up for sale.

Credit Agricole, the state-supervised French farmers' bank, is also taking part in the discussions and may buy its way into the shareholding structure. The Coppee group has important interests in food processing, as well as biochemistry, energy and engineering. Engineering makes up about 40 per cent of annual turnover, through the group's subsidiary Coppee-Rust.

Lafarge's move coincides with the disposal of its importaot packaging subsidiary. The Lafarge board this week approved a FFr 188m bid for the subsidiary, Lafarge emballage, by La Cellulose du Pin, the paper-making arm of Saint-Gobain-Pont-a-Mousson group.

Lafarge has been in the process of selling its packaging side, which has been suffering from over-capacity, since September last year, when it agreed to sell control to Billerud Uddeholm of Sweden. The Swedish bid was blocked by the French Government.

The coffee group is more than three times the size of Lafarge Emballage, with sales last year of BFr 11bn ($385m). A large part of its business is done in France, where half of its 2,800 employees work.

The biochemical sector is seen by Lafarge as the key part of the link-up. Although this means branching out into an entirely new kind of product, a spokesman said the logic of the deal rested on similarities in industrial processes. Lafarge technicians have for the past year been studying several potential new activities, aiming at sectors with high added value and high growth potential where the group could make use of its industrial know-how.

Two new divisions created by AEG

By Kevin Done in Frankfurt

AEG-Telefunken, the second largest electrical and electronics group in West Germany, has created two new divisions to co-ordinate its process plant engineering and communications activities. The aim of this major restructuring of its operations is to make the company more responsive to market demands.

At the same time the management structure of the group has been radically overhauled. Two main board members, Dr. Horst Nasko and Herr Hagen Grosse, lose their posts and two divisional board members are also parting company with the group. The reorganisation of AEG's top management is the first public demonstration of the changes that are being posbed through by Herr Heinz Dürr, the new chairman, who was appointed to the ailing concern last spring.

AEG-Telefunken was saved from the brink of financial collapse late last year through a major rescue effort launched by a consortium of banks, insurance companies and other large West German industrial concerns.

Last year the group ran up losses of DM 968m ($576m), but Herr Dürr is confident that the group's deficit can be kept to less than DM 200m this year and that it should return to the black in 1981.

In the past AEG has been run through a rigidly centralised management structure, but Herr Dürr is now aiming to bring the decision-making levels in the company closer to the markets and closer to the production divisions.

The chairmen of the divisional Boards are all being brought on to the main group Board and some central functions, technology and "regions and materials supply," are being done away with and are being moved out to individual manufacturing divisions.

AEG will now bave six manufacturing divisions—process plant technology, communications equipment, components, house appliances, consumer electronics (Telefunken), and office equipment and systems (Olympia)—which will be responsible worldwide for divisional activities.

JAL adopts programme to reduce operating losses

BY CHARLES SMITH, FAR EAST EDITOR, IN TOKYO

JAPAN AIR LINES has adopted an emergency programme to reduce operating losses incurred as the result of steeply rising fuel costs. The programme is expected to result in the airline incurring a loss of "not more" than Y20bn ($94.4m) during the year ending March 31, 1981.

JAL's fuel bill for the current year is expected to reach Y235bn, up from Y153bn last year and Y74.5bn in 1978. In order to cover this, and to make up for revenue losses caused by lower than expected traffic revenues, the airline plans the following measures.

- A 10 per cent cut on all current expenditure. This will be achieved by discouraging overtime work, reducing management level salaries, limiting business travel and a range of other measures.
- Productivity will be increased and staff levels will be frozen at the current level of around 22,000 for JAL's world-wide operations. There will be some natural attrition of the work force but no lay-offs.

The promotion of female cabin staff to jobs hitherto held only by men will result in productivity improvements as the average levels of seniority of women workers (and therefore seniority-related salary scales) will be lower than those of men in the same jobs.

- Frequencies will be adjusted on JAL's domestic and international routes so as to reduce excess capacity on unpopular routes and take advantage of growing demand on popular routes. Flights to Korea will be cut from 46 to 41 per week but there will be increased frequencies to Manila and other destinations in the south-west Pacific. Trans-Pacific flights will increase but flights to Europe will be largely unaffected.
- A range of fuel-saving measures will be introduced. This will include weight-saving measures such as the repainting of aircraft with lighter paint and the use of lighter carpeting; measures to improve engine efficiency; and "flight plan measures" which will enable aircraft to fly with smaller fuel loads.

An important "flight plan measure" is the designation of new alternate airports closer to JAL's scheduled stopping places. For example Canton will be designated as the alternate airport for Hong Kong in place of Manila.

JAL's new cost cutting programme—the second it has embarked on in the past five years—will be matched by a stepped up sales effort designed to increase International passenger traffic 1.5 per cent over original targets.

Cardo beats forecast

By Westerly Christner in Stockholm

CARDO, the Swedish investment company, reports pre-tax profits of SKr 237m ($57m) for the year ended April, 1980. This compares with a forecast of SKr 202m, and with the SKr 198m returned for 1978-79.

Sales were also ahead of targets, rising by 17 per cent to SKr 1.6bn from SKr 1.4bn. Dividend for the year is going up from SKr 5.42 a share to SKr 6.25.

Operating earnings for the Swedish Sugar Company subsidiary fell below forecast at SKr 133m from SKr 144m. The forecast was for operating earnings of SKr 140m, and the shortfall is mainly attributed to higher energy costs at refineries. Sales for the subsidiary amounted to SKr 1.15bn, against SKr 1bn.

Hileshög, the seed division, on the other hand, recorded a rise in operating earnings to SKr 114m.

Bos Kalis expects recovery

BY CHARLES BATCHELOR IN AMSTERDAM

DUTCH DREDGING and construction group Bos Kalis Westminster expects net profit to recover this year to around Fl 50m ($26m) after the sharp fall in 1979. Turnover will also rise.

Write-offs of Fl 38.2m on Bos Kalis' 40 per cent stake in the Netherlands' Offshore Company reduced group net profits to Fl 13.7m in 1979. A recovery to around Fl 50m this year would bring profits back to the 1978 level of Fl 50.5m.

Bos Kalis expects turnover in terms of work completed to rise to Fl 2bn ($1bn) in 1980 from Fl 1.6bn last year. Its order book rose to Fl 3.1bn in July from Fl 2.7bn in December. The company continues to book relatively large long-term contracts.

The company has experienced set-backs on a number of contracts which have adversely affected profits but gave no details. The increasing requirement for working capital and continuing high interest rates have led to sharp rises in interest charges. These factors have been compensated by several "significant incidental profit items."

Investments will remain below the Fl 110m depreciation level.

A Fl 3bn order won at the end of last year to develop and exploit a gas field in central Argentina will be financed through a separate Argentinian company and will not be included in consolidated group figures.

Bos Kalis noted a revival in foreign construction and dredging markets and said further growth in order portfolio and turnover could be expected next year.

The announcement of Bos Kalis' profits recovery comes shortly after Volker Stevin, the largest Dutch contractor, revealed that it expected to slide into the red this year after difficulties with a pipe-laying contract in Oman.

African Cables escapes squeeze on margins

BY OUR JOHANNESBURG CORRESPONDENT

AFRICAN CABLES, which is 60 per cent controlled by various UK cables companies, is the first of the three South African manufacturers to report profit figures which do not reflect squeezed margins. Turnover in the year to the end of July jumped 60.7 per cent to R75.1m (R46.7m), while pre-tax income was 61 per cent higher at R13.4m against R8.3m.

In the first six months, earnings per share rose only 6.3 per cent, but the full year's figures show a 49.5 per cent appreciation to 30.5 cents. The dividend total is up from 14.24 cents to 22 cents.

The average tax rate increased to 45.5 per cent from 41 per cent as benefits of previous heavy capital expenditure were absorbed. In the near future it is unlikely the tax rate will show any material reduction in view of surplus capacity in the South African cable industry.

Wheelabrator alters bid

By Our Financial Staff

WHEELABRATOR-Frye, the environment control group which is competing with J. Ray McDermott for control of Pullman, the railway car and construction and engineering concern, has raised the number of Pullman shares it is prepared to buy from 4m to 5.5m. It is offering $52.50 per share in cash under an offer due to expire at midnight last night.

If more than 5.5m shares of the 11.15m shares issued are tendered, purchases will be made pro rata. McDermott has offered to buy 5.4m Pullman shares at $43.50 per share.

Elektrowatt increases profits

BY JOHN WICKS IN ZURICH

HIGHER NET profits and cash-flow but an unchanged dividend are reported for the year ended June, 1980, by Elektrowatt, the Swiss contractor and industrial holding company.

Net profits have improved to SwFr 22.1m ($13.5m) from SwFr 20.6m, and group cash-flow has expanded by two-fifths to SwFr 210m. The dividend is being maintained at 10 per cent.

Elektrowatt, in which Credit Suisse holds a large stake, describes the performance as the "first unreservedly satisfactory year since 1975-76." According to Dr. Hans Bergmaier, the chairman, losses incurred by the construction subsidiaries have now been fully covered in the company's accounts.

Apart from its participations in Swiss, German and French power stations, Elektrowatt has important holdings in industrial undertakings. Leading among these are Cerberus, the manufacturer of fire-fighting systems, which saw 1979 sales rise 3 per cent to SwFr 180m, and Staefa Control Systems, where turnover rose sharply by 20 per cent to SwFr 125.9m last year and is expected to pass the SwFr 150m mark in 1980.

In the UK T. Clarke booked increased profits of £220,000, compared with £150,000, after a 4 per cent rise in sales to £12.8m.

In the civil-engineering and contract division, the construction company Ernst Goehner now looks forward to a "brighter future" having been a problem child for some years. Last year, construction volume rose 5.2 per cent to SwFr 201m.

Elsewhere in this sector, Elektrowatt-Ingenieurunternehmung booked a 12 per cent improvement in turnover to SwFr 114m and the Paris-based Serete one of 11 per cent to FFr 218m.

Turnround at stores group

BY OUR JOHANNESBURG CORRESPONDENT

JOHN ORR, the South African department store group which has seen profits falling since 1974/75, achieved a pre-tax profit turnround in the six months to the end of August after selling properties and closing several stores. Pre-tax profit for the period was R590,000 ($782,600) compared with a R1.5m loss in the comparable previous period.

After tax, outside shareholders' deduction and preference dividends, the group reported attributable earnings of R221,000 against a R1.7m loss. No interim dividend is being declared. Last year a 3.5 cent dividend was paid for the year.

The directors say that both the department store and fashion outlets were currently operating above budget.

Abbott sees advance

Abbott Laboratories, the pharmaceuticals and medical supply group, expects to show an 18 per cent rise in net profits for the first nine months of the current year. The company reported a profit of $125m, or $2.08 a share, for the same period last year.

COMMODITIES/REVIEW OF THE WEEK

World sugar surges on Russian buying

BY OUR COMMODITIES STAFF

WORLD SUGAR values hit the highest levels since early 1975 this week as reports of heavy Russian purchases breathed new life into the market.

The London daily price for raw sugar was lifted yesterday by £12 to £372 a tonne. On the futures market the January position reached a five-year peak of £402 at one stage before falling back on profit-taking sales to close at £391.75 a tonne, £1.25 up on a week ago.

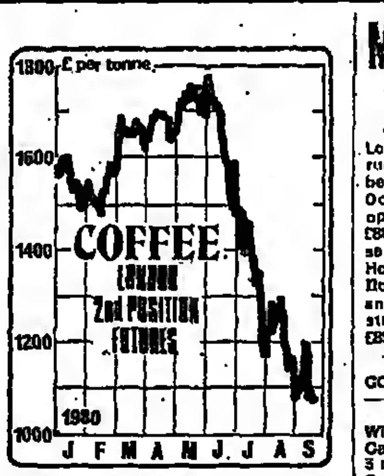
Main influence behind the upsurge in sugar prices, after the market had been forced lower early in the week, was confirmation from several sources that the Soviet Union was buying heavily.

Estimates of the quantity bought by Russia vary between 1m to 1.5m tonnes. However, dealers were more enthused by the fact that Russia was buying about two months earlier than usual, suggesting that it was concerned about the likely output from its domestic crop.

This has been left in the ground longer than usual before harvesting in an attempt to boost the root weight and sugar content from low levels. But this exposes it to the risk of frost.

Buying interest from other importing countries and speculators, helped to encourage the rise in prices, as did a move by the EEC Commission to lift the levy on sugar exports.

Coffee prices came under renewed pressure this week. On the London robusta futures market the November position fell to £1,079 a tonne, £30 down on a week ago.



Brazil made it clear that it was prepared to sacrifice the producer support buying group Pancafe, which has attempted unsuccessfully to sustain market prices, in favour of volume sales. This was provided that the International Coffee Agreement could be re-activated to stabilise the market by the use of export quotas based on "trigger" price levels.

This change of heart encouraged hopes that the talks at the International Coffee Council in London would bring the re-introduction of world market export quotas, despite differences of opinion between the exporting and importing countries.

After initial discussions, however, the Coffee Council adjourned its talks until next week to give delegates more time to consider their negotiating positions.

Meanwhile it was confirmed yesterday in Geneva that talks aimed at negotiating a new International cocoa agreement had been provisionally set to be held from October 27 to November 5.

There is heavy political pressure for the cocoa pact to be revived as part of the North-South dialogue and producers appear to be prepared to soften to make concessions on the proposed minimum price level.

Copper prices rallied yesterday on the London Metal Exchange after news that two major U.S. producers, Phelps Dodge and Amax, had broken off talks with the unions after failing to agree on terms to end the copper workers' strike that started on July 1.

Earlier in the week a settlement appeared close, based on the agreement already reached with Kennecott. Deadlock seems to have been reached on local working conditions.

Cash copper wirebars gained £11 to close at £862 a tonne, still £15 lower than a week ago. Values had earlier been depressed by rumours of U.S. strike settlements; rising stocks and the easier trend in gold discouraging speculative interest.

Aluminium and tin followed the downtrend in copper, but lead and zinc were boosted by speculative buying interest.

WEEKLY PRICE CHANGES

	Latest prices per tonne unless stated	Ch'nge on week	Year ago	1980 High	1980 Low
METALS					
Aluminium	£810/816	—	£710/50	£810/815	£760/70
Free Markets c.i.f.	$1650/1680	—50	$1,580/1600	$2180/2200	$1035/55
Antimony					
Free Market 99.6%	$3,200/3250	—25	$3,025/3,070	$3,455	$3200/3500
Copper Cash Wire Bars	£862	—15	£925	£1,378	£818.5
3 months Do. Do.	£889	—15.5	£819.5	£1,376.5	£834.75
Cash Cathodes	£835.5	—18.5	£894.5	£1,316	£785.5
3 months Do	£862.25	—14.75	£887.75	£1,345.5	£810.5
Gold per oz.	$577.5	—10	$569.5	$856	$473
Lead cash §	£386.5	+5.5	£551.5	£578	£299.5
3 months §	£402.25	+2.75	£551.5	£471.5	£308.75
Nickel	£3,205	—	£2,959	£3,477	£3,186.43
Free Market c.i.f. lb.	290/315c	—	250/270c	515/345	255/295c
Platinum per oz	£203	—	£181	£ 208	£182.50
Free Market per oz	£281.30	—7.8	£220.5	£466.6	£250
Quicksilver (76lbs.)	$410/420	+6	$306/320	$410/420	$370/380
Silver per oz.	878.60p	—17.8	551p	2,155.05p	467.80p
3 months per oz	913.10p	—18.5	867.80p	2,185.05p	485.5p
Tin cash	£7,265	—20	£7,198.5	£8,550	£7,040
3 months	£7,335	—27.5	£7,080	£8,585	£7,102.5
Tungsten Ind	$145.76	+0.89	$140.75	$145.76	$137.75
Wolfram (22.04 lb)	$151/154	—	$143/148	$151/154	$123.00/134
Zinc cash	£346	+16.5	£337.5	£400	£282
3 months	£355.75	+12.375	£345.75	£415	£292.55
Producers	$780	—	$780	$885	$780
GRAINS					
Barley					
Home Futures	£93.65	+0.45	£98.10	£101.55	£88.95
Maize					
French No. 3 Yellow (Amer)	£122.5	—	£110.5	£122.5	£115
WHEAT					
No. 1 Red Spring	‡	—	‡	‡	‡
Am. Hard Winter	£97.75t	—	£105.4	£106	£91.0
Eng. Milling (new crop)	‡	—	£95.0	‡	‡
SPICES					
Cloves (g)	£3,915s	+165	£3,770	£4,175	£3,750
Pepper, white	$2,325s	+75	$2,850	$5,625	$2,150
" black	$1,795s	+75	$1,950	$5,085	$1,575
OILS					
Coconut (Philippines)	$600u	—	$920	$885	$570
Groundnut 5%	‡	—	‡	£457	‡
Linseed, Crude	£385	—2	£433	$464	£368
Palm Malayan	$520x	—28.5	$648	$725	$505
SEEDS					
Copra (Philippines)	$405	—	$605	$10	$350
Soyabeans (U.S.)	$346t	+4	$301.7	$350	$250.8
OTHER COMMODITIES					
Cocoa Shipment	£1,081-13	—12	£1,589	£1,546	£1,023
Cocoa Futures Dec	£1,020.5	—12	£1,468	£1,513.5	£968.5
Coffee Futures Nov	£1,073	—30	£1,911.5	£1,784.5	£1070.5
Cotton Index	99.80c	—1.2	77.75c	103.8c	83c
Des. Coconut	£640	—	‡	£740	£640
Jute LJ ABW C grade	£201s	—	£228	£225	£187
Rubber kilo	60p	—4	61.75p	90p	55.50p
Sago Pearl	£205s	—	£202	£216	£204
Sisal No. 3 L	$885	—	$885	$885	$840
Sugar (Raw)	£372	+12	£114	£378	£154
Tapioca No. 1	£212s	—	£197	£221	£202
Tea (quality) kilo	140p	+8	140p	150p	132p
" (plain) kilo	58p	—	62p	75p	55p
Woollops 64s Warp	291pkilo	+5	275p	308p kilo	276p kilo

‡ Unquoted. (g) Madagascar. (x) Nov. (s) Sept./Oct. (t) Oct. (u) Oct./Nov. (y) Nov./Dec.

MARKET REPORTS

BASE METALS

COPPER—Moved ahead on the London Metal Exchange following rumours, later confirmed, that talks between copper workers and Phelps Dodge had broken down. After opening at £880 and edging up to £886 forward metal came under general selling which pared the price to £875. However, in the afternoon the Phelps Dodge news encouraged fresh demand and three months metal advanced strongly to close the late kerb at £895. Turnover 19,775 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
Wirebars	£	£	£	£
Cash	849.50		861.5-2.5	+11
3 months	875.5-6.5	+1	888.5-9.5	+10.5
Settlem't	850		—	
Cathodes				
Cash	819-20		832-5	+15.5
3 months	849.50	+1	861.5-3	+3.75
Settlem't	820		—	
U.S. Prod	—		*84.7-102	

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £845, 50. Three months £880, 79, 78, 75, 75.5, 78.5. Cathodes: cash £820: three months untraded. Kerb: Wirebars: Three months £876, 77, 78, 79, 80. Cathodes: Untraded. Afternoon: Cash wirebars untraded; three months £882, 82.5, 83, 84, 84.5, 85, 88, 89, 88.5, 89, 89.5, 89. Cathodes: Untraded. Kerb: Wirebars: Three months £895, 96, 95, 94, 93, 94, 93, 94.5, 95. Cathodes: Untraded.

TIN—Firmer reflecting forecasts of a decline in stocks and also following the upturn in other metals. Forward metal opened at £7,330 and, after dipping to £7,310 on the morning kerb on modest hedge selling, moved up to close the late kerb at £7,345. Turnover 1,080 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	7250-5	+22.0	7260-70	+65
3 months	7300-5	+7.5	7330-40	+45
Settlem't	7255	—15	—	—
Standard				
Cash	7230-5	+22.5	7260-70	+85
3 months	7300-5	+7.5	7350-40	+45
Settlem't	7235	+15	—	—
Straits E.	$2193	—17	—	—
New York	—	—		

Morning: Standard: Cash £7,230, 40, 30; three months £7,330, 25, 10, 7,300. High grade untraded. Kerb: Standard: Three months £7,310. High grade untraded. Afternoon: Standard: Cash £7,270; three months £7,330, 35, 40, 30, 40. High grade untraded. Kerb: Standard: Three months £7,340, 45. High grade untraded.

LEAD—Higher as speculative buying and the firmness of copper pushed three months ahead from £394 on the early pre-market to the day's high of £406.5 before profit-taking promoted a close on the late kerb of £400.5. The forecasts of a substantial increase in stocks had been widely expected and had little effect on sentiment. Turnover 10,375 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	380-0.5	+2	386-7	+4.75
3 months	396.5-7	+2.5	402-2.5	+4
S'ment	380.5	+2	—	—
U.S. Spot	—		*42-44	—

Morning: Cash £380; three months £404, 03, 01, 397, 98, 97, 96, 97, 96.5, 97. Kerb: Three months £395.5, 97, 98, 99, 400. Afternoon: Cash untraded; three months £402, 01, 02, 01.5, 02, 02.5, 03, 02.3. Kerb: Three months £405, 06, 05, 04, 03, 02, 01.

ZINC—Marginally easier in quiet trading with forward metal moving between £359 and £353 prior to ending the late kerb at £356. Turnover 8,850 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	344-5	—1	345-7	—3
3 months	355-6	—1.25	355.5-7	—1.5
S'ment	345	—1	—	—
Primw'ts	—		*35.5-37.25	—

Morning: Cash £345; three months £359, 58, 57, 56, 55, 54, 55. Kerb: Three months £356, 55. Afternoon: Cash untraded; three months £355, 54, 53, 55, 56, 56.5, 57, 56.5. Kerb: Three months £356.

ALUMINIUM—Higher on balance with the market discounting the forecast of a sizeable rise in stocks. Forward metal opened at £690 and after an initial rise to £697 on speculative buying fell sharply to £685 on chartist selling. However, the strength of other metals encouraged short covering and fresh buying of aluminium which moved up to close the late kerb at £701. Turnover 8,900 tonnes.

Alumin'm	a.m. Official	+ or —	p.m. Unofficial	+ or —
Spot	672.5-.5		684-5	+18
3 months	689.90-.5	+.5	700-1	+15

Morning: Cash £672; three months £690, 89, 88, 85, 84, 85, 86, 88, 89. Kerb: Three months £689, 90, 91. Afternoon: Cash untraded; three months £692, 92.5, 93, 93.5, 94, 95, 97, 98, 99, 700. Kerb: Three months £700, 698, 99, 700, 701.

NICKEL—Marginally firmer with the market holding steady for most of the day until late demand prompted a close on the kerb of £2,811.5. Turnover 84 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unofficial	+ or —
Spot	2750-60	—15	2765-75	+18
3 months	2800-4	—2.5	2810-15	+18

Morning: Cash untraded; three months £2,800. Kerb: Untraded. Afternoon: Cash untraded; three months £2,805, 2,800. Kerb: Three months £2,810.

* Cents per pound. ‡ SM per picul. † On previous unofficial close.

SILVER

Silver was fixed 3.05p an ounce higher for spot delivery in the London bullion market yesterday at 878.6p. U.S. equivalents of the fixing levels were: spot $20.5, up 2c; three-month $21.608, up 2.1c; six-month $22.327, up 2c; and 12-month $23.754, up 4.3c. The metal opened at 884-892p ($21.10-21.30) and closed at 890-898p ($21.25-21.45).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unofficl	+ or —
Spot	878.60p	+3.05	881p	+1.5
3 months	915.10p	+1.25	926.50	+1.5
6 months	945.50p	+1.25	—	—
12months	1005.60p	+4.90	—	—

LME—Turnover 188 (133) lots of 10,000 ozs. Morning: Three months 915, 14, 13, 05, 04, 900, 899, 95, 900, 897, 96, 95, 94. Kerb: Three months 901, 02, 05, 04, 05. Afternoon: Three months 910, 14, 18, 15, 17, 18, 20, 30, 35, 30, 32, 31, 27, 28. Kerb: Three months 924, 25, 24, 23, 24, 25.

COCOA

Cocoa futures traded in thin volume throughout a featureless day for prices to close at levels unchanged from last night. Physical business was again modest as producers for the main part withdrew as sellers and only limited offtake was found among consumers, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
Sep	896-97	—1.0	998-90
Dec	1020-21	+1.0	1025-15
March	1033-37	—1.5	1062-55
May	1075-77	+0.5	1080-72
July	1091-93	+1.0	1094-93
Sept	1109-14	+1.0	—
Dec	1150-58	—3.0	—

Sales: 1,662 (3,261) lots of 10 tonnes.

COFFEE

A cautious approach to the market was evident as prices fluctuated in a narrow range throughout a featureless day, reports Drexel Burnham Lambert. However, on good volume towards the close dealer and commission house selling prompted late weakness and prices finished around the lows in most months.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
Sept	1015-20	—14	1041-10
Nov	1078-80	—8.5	1099-76
January	1080-81	—7.0	1090-71
March	1097-11	—14.0	1120-11
May	1116-20	—9.0	1126-21
July	1130-40	—5.0	1148-36
Sept	1135-40	—	—

Sales: 3,184 (3,727) lots of 5 tonnes.

ICO Indicator prices for Sept. 18 (U.S. cents per pound): Other Mild Arabicas 125.00 (124.00); Robustas ICA 1976 125.50 (125.25); ICA 1968 125.75 (125.50); Unwashed Arabicas 211.00 (211.50). Comp. daily ICA 1968 168.75 (166.67).

GRAINS

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No 2 14 per cent Sept. unquoted, Oct. 99.50, Nov. 101, Dec. 104 transhipment east coast. U.S. Hard Winter 13½ per cent Oct. 97.75, Nov. 99.75, Dec. 101 transhipment east coast. Maize: U.S./French Sept. 122.50, Oct. 121.50 transhipment east coast. S. African Yellow Sept./Oct. 75.50, Dec. 90. Barley: English Feed fob Oct. 95, Nov. 97.50. Rest unquoted.

WHEAT	Yesterday's close	+ or —	BARLEY Yesterday's close	+ or —
Sept.	96.45	+0.40	93.90	—1.05
Nov.	99.15	+0.35	96.65	+0.80
Jan.	103.50	+0.50	99.80	+0.90
Mar.	107.20	+0.50	101.30	+0.70
May.	110.70	+0.40	105.00	+0.90
July.	114.40	+0.50	—	—

Business done—Wheat: Sept. 96.55-96.45, Nov. 99.25-99.00, Jan. 103.50-103.20, March 107.30-107.05, May 110.80-110.50, July 114.20-114.20. Sales: 139 lots of 100 tonnes. Barley: Sept. 93.85-90.20, Nov. 93.60-92.95, Jan. 97.80-97.20, March 101.45-101.10, May 105.00-104.45. Sales: 407 lots of 100 tonnes.

HGCA—Locational ex-farm spot prices. Other milling wheat: Eastern 100.20, N. East 97.40, Scotland 100.00. Feed barley: Eastern 86.20, E. Midlands 88.50, N. East 87.80, Scotland 84.70. The UK Monetary Coefficient for the week beginning Monday, September 22 is expected to remain unchanged.

RUBBER

The London physical market opened easier, with low interest throughout the day, closing on an uncertain note. Lewis and Peat reported an fob October price for No. 1 RSS in Kuala Lumpur of 303.5 (304.5) cents a kilo and SMR 20 at 284 (285).

No. 1 R.S.S.	Yest'day's Close	Previous Close	Business Done
Oct	61.80-61.90	62.75-62.80	62.50-61.50
Nov	62.10-62.20	63.25-63.40	62.50-61.90
Oct-Dec	62.50-62.60	63.85-63.90	62.90-62.50
Jan-Mar	65.50-65.60	67.00-67.15	66.50-65.50
Apr-Jne	70.00-70.10	71.00-71.10	71.10-70.00
Jly-Sept	74.70-74.80	75.80-75.90	75.50-74.70
Oct-Dec	79.00-79.10	80.20-80.30	79.80-78.70
Jan-Mar	83.60-83.70	84.60-84.80	84.00
Apr-Jne	87.70-87.80	89.00-89.10	—

Sales: 768 (509) at 15 tonnes; 17 (25) at 5 tonnes.

Physical closing prices (buyer) were: Spot 60.00p (61.75p); Oct. 63.25p (64.00p); Nov. 64.25p (65.00p).

SOYABEAN MEAL

The market opened with gains of 50p in steady trading conditions. However it then drifted to close at the lows on the morning reports T. G. Roddick. Renewed commission house buying coupled with trade short-covering lifted prices through contract highs, kept prices steady in active trading.

	Yesterday's Close	+ or —	Business Done
	£ per tonne		
October	125.60-27.0	+2.25	127.30-125.60
December	128.20-28.4	+2.65	128.30-126.00
February	130.00-30.5	+2.7	130.50-128.00
April	133.50-34.0	+2.7	134.00-131.80
June	134.80-35.0	+2.55	135.50-134.00
August	136.00-37.0	+2.5	136.00-135.10
October	137.00-40.0	+3.0	—

Sales: 295 (124) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE (raw sugar): £372.00 (£360.00) a tonne cif for Sept.-Oct.-Nov. shipment. White sugar daily price was £500.00 (£490.00).

The market opened some £8 above overnight levels but long liquidation developed and by the close prices were some £11 below first traded levels, reports C. Czarnikow.

No. 4 Contract	Yest'rdays Close	Previous Close	Business Done
	£ per tonne		
Dec	366.25-70.00	375.75-76.25	386.00-67.50
Jan	391.50-92.00	392.50-94.75	402.00-391.5
Mch	408.50-00.50	400.50-06.50	418.00-05.75
May	404.25-04.50	405.00-05.50	413.00-01.00
Aug	385.00-05.00	385.50-54.50	405.00-385.0
Oct	005.50-03.75	380.50-82.00	070.50-81.50
Jan	330.25-50.50	325.50-27.50	335.00-28.00

Sales: 12,384 (14,492) lots of 50 tonnes.

NUMBER 2 CONTRACT—Close (in order buyer, seller, business, sales). Dec. 374.00, 375.00, 386.00-373.00, 123. Sales 123 (336).

Tate and Lyle ex-refinery price for granulated basis white sugar was £342.5 (same) a tonne for home trade and £466.00 (£456.00) for export.

International Sugar Agreement (U.S. cents per pound fob and stowed Caribbean port). Prices for Sept. 18: Daily price 37.16 (35.65). 15-day average 33.33 (32.81).

COTTON

LIVERPOOL—No spot or shipment sales were recorded, leaving the total for the week at 444 tonnes compared with 171 tonnes in the previous week. Users were again reluctant to operate and buying remained at a very low level. Interest, however, was shown in certain Middle Eastern styles, with African supplies also in demand.

AMERICAN MARKETS

NEW YORK, Sept. 19.

THE HOG complex finished strong in anticipation of a bullish Government report on Monday, cattle barely managed to stay mixed. A major rally in grains and soyabeans established new contract highs before some profit-taking on the close. Major political uncertainties were behind the big advance in precious metals. Heavy trade buying and short-covering moved copper sharply higher. Sugar sold off for a loss on profit-taking after climbing to new highs. Commission House buying moved cotton higher in a highly erratic market. Cocoa was featureless in an inactive market. Producer selling pushed coffee prices lower, reported Heinold.

Copper—Sept. 94.20 (92.20), Oct. 94.60 (92.65), Nov. 95.55, Dec. 98.00-96.70, Jan. 97.25, March 98.50-99.20, May 100.20-100.70, July 101.70, Sept. 103.40, Dec. 105.80, Jan. 106.55, March 109.15, May 109.75, July 111.35. Sales: 7,200.

Potatoes (round whites)—Nov. 93.5 (92.4), March 133.5 (132.4), April 155.1-155.8. Sales: 2,632.

Sugar—No. 11: Oct. 37.25-37.50 (38.55), Jan. 39.30-39.35 (39.90), March 40.80-40.90, May 40.70-40.80, July 39.80-39.90, Sept. 37.80, Oct. 36.90, Jan. 33.60-34.00.

Tin—810.0-814.0 (810.0-813.0).

CHICAGO, Sept. 19

Lard—Chicago loose 22.75 (same). New York prime steam unavailable.

Live Hogs—Oct. 48.75-48.60 (47.35), Dec. 51.90-51.75 (50.45), Feb. 54.92-54.80, April 53.80, June 57.10, July 57.97, Aug. 57.40, Oct. 55.00, Dec. 54.50.

‡‡Maize—Sept. 351-352½ (348¾), Dec. 357-357½ (352), March 368-368½, May 372¾-371¾, July 371-370½, Sept. 358½.

Pork Bellies—Feb. 71.57 (69.57), March 71.65-71.70 (69.70), May 72.92, July 73.05, Aug. 71.90.

Silver—Sept. 2185.0-2200.0 (2098.5), Oct. 2184.5 (2104.5), Nov. —, Dec. 2237.5, Feb. 2290.5, April 2343.5, June 2396.5, Aug. 2449.5, Oct. 2502.5, Dec. 2555.5, Feb. 2609.5, April 2663.8, June 2717.5, Aug. 2771.5, Oct. 2825.5, Nov. —, April —.

§Soyabeans—Sept. 851 (835¼), Nov. 873-870 (854), Jan. 891-893, March 912-913, May 917-917½, July 919, Aug. 907, Sept. 863, Nov. 834-833.

‖Soyabean Meal—Sept. 247.0-247.5 (244.0), Oct. 251.0-251.5 (244.7), Dec. 256.5-257.0, Jan. 259.0-258.5, March 262.3-262.0, May 261.5-262.0, July 260.0-259.5, Aug. 253.5-253.0, Sept. 243.5.

Soyabean Oil—Sept. 27.75 (27.55), Oct. 27.85-27.75 (27.43), Dec. 28.55-28.50, Jan. 28.80-28.65, March 29.10-29.20, May 29.30, July 29.55, Aug. 29.30, Sept. 29.00.

†Wheat—Sept. 484½ (476), Dec. 506½-506 (494½), March 525-524½, May 529½-530, July 524-524½, Sept —.

WINNIPEG, September 19. §Barley—Oct. 139.00 (137.80), Dec. 141.00 (140.20), March 142.50, May 142.80, July 141.80.

Chicago Imm Gold—Sept. 688.0 (673.0), Oct. 690.0 (675.0), Dec. 708.5-707.5, Jan. 717.3, March 737.0-734.5, April 745.0, June 762.0-763.5, July 771.7.

Lard—Chicago loose 22.75 (same). New York prime steam 22.75.

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ¶ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. ‖ $ per short ton (2,000 lbs). § $Can. per metric ton. §§ $ per 1,000 sq feet. ‡ Cents per dozen.

INDICES

FINANCIAL TIMES

Sept. 18	Sept. 17	M'nth ago	Year ago
278.73	278.98	272.72	295.04

(Base: July 1, 1952=100)

MOODY'S

Sept. 18	Sept. 17	M'nth ago	Year ago
1304.0	1312.4	1244.9	1158.6

(December 31, 1931=100)

DOW JONES

Dow Jones	Sept. 18	Sept. 17	Month ago	Year ago
Spot	461.79	460.51	445.95	418.86
F'ture	475.97	473.83	465.55	413.54

(Average 1924-25-26=100)

REUTERS

Sept. 18	Sept. 16	M'nth ago	Year ago
1761.4	1758.3	1758.8	1817.5

(Base: September 18, 1931=100)

WOOL FUTURES

LONDON NEW ZEALAND CROSS-BREDS—Close (in order buyer, seller, business, sales). New Zealand cents per kilo. Oct. 363, 364, 363, 8; Dec. 370, 372, 370, 8; Jan. 370, 371, 370, 3; March 372, 373, 372, 2; May 374, 376, nil, nil; Aug. 376, 380, 380, 3; Oct. 377, 380, 377, 9; Dec. 381, 385, nil, nil; Jan. 381, 383, nil, nil; March 384, 387, nil, nil. Sales 31.

SYDNEY GREASY WOOL—Close: (in order buyer, seller, business, sales). Australian cents per pound. Oct. 469.0, 470.0, 477.0-466.0, 69; Dec. 481.0 traded, 481.5-476.3, 297; March 492.5, 493.0, 493.0-489.0, 264; May 500.0, 500.3, 500.5-498.0, 269; July 506.0, 507.0, 507.0-503.3, 210; Oct. 501.0, 502.0, 501.0-498.3, 10; Dec. 502.0, 503.3, 502.5-500.0, 18; March 504.0, 508.0, 505.0-503.0, 11. Sales: 1,138.

POTATOES

LONDON POTATO FUTURES—The market was erratic but the underlying trend remained firm with reasonable volume traded, reports Way and Harper. Closing prices: Nov. 42.40 +70 (high 43.50, low 42.00); Feb. 50.20 +140 (high 51.80, low 49.30); April 57.30 +180 (high 58.20 low 55.80). Turnover: 113 (96) lots of 40 tonnes.

GRIMSBY FISH—Supply poor, demand good. Prices at ship's side (unprocessed) per stone: Shell cod £5.50-£7.00, codlings £4.00-£5.00. Small haddock £2.20-£2.60. Large plaice £7.00, medium £5.30-£7.00, best small £3.40-£4.80. Skinned dogfish (large) £10.50, (medium) £7.00. Lemon soles (large) £11.00, (medium) £10.00.

Stock Exchange dealings

Thursday, September 18	20,602
Wednesday, September 17	19,974
Tuesday, September 16	21,197
Monday, September 15	22,304
Friday, September 12	23,896
Thursday, September 11	22,476

The list below gives the prices at which bargains were done by members of the Stock Exchange and recorded in last Thursday's Stock Exchange Daily Official List. For those securities not marked in Thursday's List, we show the latest markings recorded during the previous four business days, these are distinguished by the date shown in parentheses.

The number of dealings marked on Thursday in each section follows the name of the section. Unless otherwise denoted, shares are £1 fully paid and stock £100 fully paid.

Members are not obliged to mark bargains, except in special cases, and the list cannot, therefore, be regarded as a complete record of prices at which business has been done. Bargains are recorded in the Official List up to 2.15 pm only, but later transactions can be included in the following day's Official List. The figures shown above, on the other hand, are the total number of bargains transacted in all securities up to 2.30 pm. No indication is available as to whether a bargain represents a sale or purchase. Markings are not necessarily in order of execution, and only one bargain in any one security at any one price is recorded.

‡ Bargains at Special Prices. Δ Bargains done with or between non-members. ⊕ Bargains done previous day. § Bargains done with members of a recognised Stock Exchange. ✦ Bargains done for delayed delivery or "no buying-in." $A—$Australian; $B—$Bahamian; $C—$Canadian; $HK—$Hong Kong; $J—$Jamaican; $Ma—$Malayan; $Me—$Mexican; $NZ—$New Zealand; $S—$Singapore; $US—$United States; $WI—$West Indian.

BRITISH FUNDS (499)

12pc Treasury stk. 1984 97[illegible]
12pc Treasury stk. 1987 95[illegible]
12pc Treasury stk. 1995 94[illegible]
12½pc Treasury stk. 2003-05 99[illegible]
13pc Treasury stk. 1990 101[illegible]
13pc Treasury stk. 2000 100[illegible]
13½pc Treasury stk. 2004-2008 102[illegible] (12/9)
13¾pc Treasury stk. 2000-2003 105⊕

CORPORATIONS (18)

PUBLIC BOARDS (13)

COMMONWEALTH GOVTS. (9)

FOREIGN STOCKS (1)

Chinese 5pc Drawn Bnds. 13 (16/9). Lung-Tsing-U-Hai 5pc 0 115(0)
Denmark 13pcLn. (£20 pd.) 17⊕

FOREIGN CORPS.

Oaka (C. of) 5pc Gold Ln. 6 (17/9)

BANKS (112)

Alexanders Discount 260 (16/9)
Allied Irish Banks (Ir£0.25) 122 116.01. 10pcLn. (Ir.£100) 132 (16/9)

BREWERIES (101)

COMMERCIAL (1,920)

A—B

C—D

British Home Stores (25p) 147⊕ 9⊕ 0 50. 9pcLn. 114½⊕ 13¾ 14
British Mohair Spinners (25p) 29 31 2. 6pcPf. 49½⊕
British Shoe Corp. 6½pcPf. 48½ (12/9). 5¾pc2ndPf. 44 (15/9). 0½pc3rdPf. 50 (12/9). 7pcLn. 85½ (12/9)

E—F

First Castle Secs. (10p) 33¼⊕ 4⊕ 4
Fisons 225⊕ 16⊕ 17⊕ 15 22. 0pc2ndDb. 02 (16/9). 5¾pcUnsec.Ln. 42¼ (10/9)
Fitch Lovell (20p) 83⊕ 4. 7¼pcUnsec.Ln. 54⊕
Flight Refuelling (Hldgs.) (25p) 270
Fobel Internatl. (10p) 28½ 0

G—H

I—J—K

L—M

N—O—P

Q—R—S

T—U—V

W—Y—Z

ELEC. LIGHTING & POWER

FINANCIAL TRUSTS (84)

GAS (5)

INSURANCE (127)

INVESTMENT TRUSTS (118)

UNIT TRUSTS (3)

MINES

Australian (15)

North Kalgurli Mines ($A0.30) 103 4

APPOINTMENTS

CEGB director of finance

Mr. James Smith has been appointed director of finance by the CENTRAL ELECTRICITY GENERATING BOARD from November 1 in succession to Mr. James Redman, who is going to the Electricity Council as financial adviser. Mr. Smith joins the Board from the London Electricity Board where he has been financial director since 1977. He was deputy financial controller at CEGB headquarters from 1972-77 and assistant financial controller from 1970-72. Before joining the electricity supply industry Mr. Smith held appointments with Gillette Industries and Shell-Mex and BP.

★

Mr. W. I. Campinn has been appointed managing director of GEORGE WILKINSON (BURNLEY), a subsidiary of Metalrax (Holdings). He is a group Board member.

★

Mr. William J. Gingles has been appointed executive director of TARA REINSURANCE COMPANY, of Dublin.

★

Mr. T. W. Stubart, managing director of ECC Quarries, has been appointed to the Board of ENGLISH CHINA CLAYS from October 1.

★

Mr. John Wicken, deputy actuary of SUN LIFE ASSURANCE SOCIETY, retires on October 26. Mr. David Purchase will be appointed life actuary and takes over Mr. Wicken's responsibilities for the society's life division. Mr. Purchase will continue as assistant actuary (planning).

★

Mr. Thomas Montgomery has been appointed technical director of JAMES HARRISON (CONTRACTS), a member of the Barratt Group.

★

NIPPON EUROPEAN BANK states that Mr. Julien-Paul Koszul, deputy general manager, is leaving to return to CREDIT LYONNAIS to take over the general management of its branches in the Federal Republic of Germany. His successor will be Mr. Pierre Rostand.

★

Mr. Douglas N. Dick has been appointed director with responsibility for energy, transport and accommodation in the BRITISH TELECOM headquarters' network executive. Mr. Dick joined the Post Office in 1955 and became head of the marine division in 1978.

★

The DICKINSON ROBINSON GROUP is regrouping its UK businesses from November 1. There will be four business groups, each headed by a main board director reporting to Mr. John S. Camm, chairman and chief executive. Mr. John A Crabb, in addition to his position for strategic planning, will be responsible for trading; Mr. Geoffrey Bar will handle paper, board, industrial packaging and engineering; Mr. Hans B. Jurgensen will control manufactured stationery; and Mr. J. Moger Woolley will have charge of consumer packaging.

★

Mr. Geoffrey Smith has been appointed to the newly-created position of director of public affairs at HADEN CARRIER. Mr. David Tomlinson joins the group on October 1 as corporate development director. They are not members of the board.

★

Mr. W. J. Jones has been appointed European director of operations for FOXBORO of Redhill.

★

Mr. A. C. Dennis, deputy managing director of APV-PARAMOUNT, will now control its sales division as deputy managing and marketing director. The company is a member of the APV Holdings Group.

★

RINGSTEAD INSURANCE SERVICES has appointed the following directors: Mr. P. H. Chilton, Mr. J. Del Espino, Mr. A. Hirons and Mr. A. A. Williams.

★

The Eurosurvey Group has appointed Mr. M. D. Jones as a director of EUROSURVEY LIMITED. He is at present director of the Centre for International Management at the Administrative Staff College, Henley and was previously chief executive of Gaelic Oil Company.

★

Mr. F. J. A. Howard has been appointed to the board of ANDERSON STRATHCLYDE as a non-executive director.

BASE LENDING RATES

A.B.N. Bank	16 %	■ Hambros Bank	16 %
Allied Irish Bank	16 %	■ Hill Samuel	§16 %
American Express Bk.	16 %	C. Hoare & Co.	†16 %
Amro Bank	16 %	Hongkong & Shanghai	16 %
Henry Ansbacher	16 %	Industrial Bk. of Scot.	16½%
A P Bank Ltd.	16 %	Keyser Ullmann	16 %
■ Arbuthnot Latham	16 %	Knowsley & Co. Ltd.	18 %
Associates Cap. Corp.	16 %	Langris Trust Ltd.	16 %
Banco de Bilbao	16 %	Lloyds Bank	16 %
Bank of Credit & Cmce.	16 %	Edward Manson & Co.	17 %
Bank of Cyprus	16 %	Midland Bank	16 %
Bank of N.S.W.	16 %	■ Samuel Montagu	16 %
Banque Belge Ltd.	16 %	■ Morgan Grenfell	16 %
Banque du Rhone et de la Tamise S.A.	16½%	National Westminster	16 %
Barclays Bank	16 %	Norwich General Trust	16 %
Bremar Holdings Ltd.	17 %	P. S. Refson & Co.	16 %
Brit. Bank of Mid. East	16 %	Rossminster	16 %
■ Brown Shipley	16 %	Ryl. Bk. Canada (Ldn.)	16 %
Canada Perm't Trust	17 %	Schlesinger Limited	16 %
Cayzer Ltd.	16 %	E. S. Schwab	16 %
Cedar Holdings	16 %	Security Trust Co. Ltd.	17 %
■ Charterhouse Japhet	16 %	Standard Chartered	16 %
Choulartons	16 %	Trade Dev. Bank	16 %
C. E. Coates	16 %	Trustee Savings Bank	16 %
Consolidated Credits	16 %	Twentieth Century Bk.	16 %
Co-operative Bank	*16 %	United Bank of Kuwait	16 %
Corinthian Secs.	16 %	Whiteaway Laidlaw	16½%
The Cyprus Popular Bk.	16 %	Williams & Glyn's	16 %
Duncan Lawrie	16 %	Wintrust Secs. Ltd.	16 %
Eagil Trust	16 %	Yorkshire Bank	16 %
E. T. Trust Limited	16 %		
First Nat. Fin. Corp.	19 %		
First Nat. Secs. Ltd.	19 %		
Robert Fraser	16 %		
Antony Gibbs	16 %		
Greyhound Guaranty	16 %		
Grindlays Bank	‡16 %		
■ Guinness Mahon	16 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 14%. 1-month deposits 14¼%.
† 7-day deposits on sums of £10,000 and under 14%, up to £50,000 14½% and over £50,000 15%.
‡ Call deposits over £1,000 14%.
§ Demand deposits 14½%.

ACTIVE STOCKS

YESTERDAY—

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1980 high	1980 low
GKN	£1	11	191	− 7	279	189
ICI	25p	8	176	−11	196	111
Johnson Matthey	£1	8	265	− 8	273	102
Silvermines	2½p	8	110	− 5	154	61
Anglo-Am. Corp.	R0.10	6	805	+15	805	485
BAT Inds.	25p	6	291	− 4	295	223
European Ferries	25p	6	169	−10½	192	98
Plessey	50p	6	251	− 4	265	108
Unilver	25p	6	506	− 2	512	388
Western Deep	R2	6	£30½	+ 2½	£30½	£14
BP	25p	5	362	+ 4	412	320
Burmah Oil	£1	5	187	− 4	249	162
Harmony Gold	R0.50	5	£12¼	+ ¼	£12¾	675
Premier Cons.	5p	5	90	+ 6	99	36
Rustenburg Plat.	R0.10	5	348	+12	348	184

ON THE WEEK—

Stock	Denomination	No. of marks	Closing price (p)	Change on week	1980 high	1980 low
GKN	£1	52	191	−33	279	189
Cons. Gold Fields	25p	44	625	+30	625	385
GEC	25p	44	530	− 7	540	326
Burmah Oil	£1	43	187	−20	249	162
KCA Intl.	25p	38	121	+21½	121	41
Racal Electronics	25p	38	321	−20	341	175
BP	25p	37	362	+ 4	412	320
Shell Transport	25p	36	416	—	432	314
Plessey	50p	34	251	−14	265	108
Distillers	50p	33	218	−12	235	184
ICL	25p	33	176	−15	196	111
Thorn EMI	25p	33	354	− 6	380	260
Anglo-Am. Corp.	R0.10	31	805	+40	805	485
Harmony Gold	R0.50	31	£12¼	+ ¼	£12¾	675
ICI	£1	31	356	− 4	402	348

Miscellaneous (90)

[illegible]

Rhodesian (9)

[illegible]

South African (121)

[illegible]

West African (—)

[illegible]

Diamond (11)

[illegible]

OIL (215)

[illegible]

ANock Petroleum (20p) 246 (17/9)
British Borneo Petroleum Syndicate (10p) 305
British Petroleum (25p) 350ф 5ф 4 6 2 50 58 9. (Restricted Transfer) (25p) 356 80 6 (15/9). 8pcPf. 66 (16/9). 9pcPf. 73½ (16/9)
Burmah Oil 291ф 295ф 6ф 2ф 5 3 3 4 2 9. 7½pcPf. 54½ (15/9). 7½pcLn. 78. 8½pcLn. 65 (17/9)
Century Oils Grp. (10p). 91ф
Charterhall (5p) 72 1 ½
Charterhouse Petroleum (25p) 59½ф 8 90
Dome Petroleum 31⅛ (12/9)

PROPERTY (101)

[illegible]

RUBBER (3)

[illegible]

UK RAILWAYS (1)

[illegible]

SHIPPING (17)

[illegible]

Ocean Transport Trading (25p) 129 5½
Peninsular and Oriental 91d. 127½ 7 8½
Reardon Smith A (50p) 88½ 7 (12/9)
Runciman (Walter) (25p) 110 (12/9)

TEA (2)

Lawrie Plantation 414ф
New Sylhet 200
Surmah Valley (25p) 115 (12/9)

CANALS (2)

Bristol Channel Ship Repairers (10p) 4 (16/9)

WATERWORKS (2)

[illegible]

RULE 163 (1) (e)

Bargains marked in securities which are quoted or listed on an Overseas Stock Exchange

SEPTEMBER 18

[illegible]

SEPTEMBER 17

[illegible]

Oil Search 15½
Otter Expln. 7a
Pacific Copper 199½
Pancontinental 350ф 50
Peko-Wallsend 525ф
Petrofina $168½ф
Poseidon 302ф 12ф 11
Queen Margaret Mines 30ф
SASOL 147
Santos 675ф
Seltrust A 160
Southern Pacific Pets. £13⅝ф ¼ф ¾
Sparpo 39ф
Strata Oil 136ф 4ф
Swan Resources 193
Swire Pacific A 77
Target Pets. 36½ф 4½ф 5½ф 5ф
Thomas Nationwide $US3.01ф
Westinghouse Elect. £11¼ф
Whim Creek 96
Woodside Pets. Pty.Pd. 115ф

SEPTEMBER 16

Ampol Petroleum 77ф 90
BP Canada $C45½
Bater Lath. £17
Bond Corp. 126ф
Bougainville Copper 122ф 4ф
Bow Valley 925ф
CSR 379 2ф
Canadian Ind. $C29½
Carr Boyd Minerals 61
Central Pacific Minerals £37⅟₁₆ 9
Conex 7½
Conzinc Riotinto 315ф 9 9 18ф
Cultus Pacific 51ф
Dresser Inds. £33½ф

RULE 163 (2) (a)

Applications granted for specific bargains in securities not listed on any Stock Exchange

* Denotes Irish currency.

SEPTEMBER 18

[illegible]

SEPTEMBER 17

[illegible]

SEPTEMBER 16

[illegible]

SEPTEMBER 12

[illegible]

SEPTEMBER 15

[illegible]

Dart Valley Light Railway 50
Dimbula Valley (Ceylon) Tea 192
Eastern Counties Newspaper Grp. 15pc Pfd. 111
Edinburgh Securities 220 4 5 7
Energy Finance and General 7st. 31
GRA Property Tst. 16¾ 17 ¾
Jenkin and Purser 8
Le Riches 250
Lifeguard Assurance 160
Maddock 3
Mainline Electronics 4
Mainline Electronics 12pcCne.Pfd. 5
Nimslo European 458 508
Nimslo European 14pc 8 1983-88 £55.30
NMW Computers 305

Grampian TV 43
Home Brews. 432
Imperial London Hotels 7.75pc1stMtg.Db. 1991-96 £63½
Instant Starter Eng. 5½
Jayplant 7½ 8 ½ 9
Kenmare Oil Exploration 40 3 4 37 45
Le Riches Stores 255 8
London and Continental Advertising 17½ 10½
Maddock 1 1-64th
Maddock 7pcSub.Uns.Cnv. £20
Morrydown Wine 35 36
Nationwide Leisure 7½ 8 ½
New Court Natural Resource 61 2 3 ½ 4 8 8

RULE 163 (3)

Bargains marked for approved companies engaged solely in mineral exploration

* Denotes Irish currency.

SEPTEMBER 18

[illegible]

Pict Petroleum 365 75
Sovereign Oil and Gas 308 10 12 13 14 15 18
Sun Oil (UK) Oil Royalty (R/C fully paid) 535 8 45 50 80

SEPTEMBER 17

Aran Energy 424 6 7 34 5 8 40 2 4 6 8 50 82* 5* 500* 5*
Berkeley Exploration and Production (50p paid) 188 93
Candecca Resources 204 5 8 7 8 9 10 11
CCP North Sea Assoc. 248 50 2 4 5 0
Club Oil 350
Gas and Oil Acreage 415 25

SEPTEMBER 16

[illegible]

Berkeley Exploration and Production (50p paid) 183 5 6 7 8 90
Candecca Resources 192 3 4 5 8 7 6 9 200 1
CCP North Sea Assoc. 347 5a
Clo6 Oil 520 5 30
Gas and Oil Acreage 400 5 14
Marinex Petroleum 140 2
Pitch Petroleum 355 80 4 5 8 70 4 5
Sovereign Oil and Gas 312 13 14 15 17 18 20 1 3 3 4 5 7 30 5
Sun Oil Company (UK) Oil Royalty (R/C fully paid) 500 10 10 20 5 30

SEPTEMBER 12

[illegible]

(By permission of the Stock Exchange Council)

LOCAL AUTHORITY BOND TABLE

Authority (telephone number in parentheses)	Annual gross interest	Interest payable	Minimum sum	Life of bond
	%		£	Year
Knowsley 051 548 6555	13½	½-year	1,000	4-5
Redbridge 01 478 3020	13½	½-year	200	5-6

BUILDING SOCIETY RATES

	Deposit rate %	Share accounts %	Sub'pn shares %	*Term shares %
Abbey National	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Aid to Thrift	10.85	11.37	—	—
Alliance	10.25	10.50	11.75	12.50 5 yrs., 11.75 3 mths.
Anglia	10.25	10.50	11.76	13.00 6 yrs., 12.50 5 yrs.
Bradford and Bingley	10.25	10.50	11.75	11.25 one month's notice deposit
Bridgwater	10.25	10.50	12.00	12.50 5 yrs., 12.00 4 yrs., 11.60 2½ yrs.
Bristol and West	10.25	10.50	11.75	—
Bristol Economic	10.25	10.50	11.75	10.75 3 months
Britannia	10.25	10.50	11.75	12.50 5 yrs., 11.25 3 months' notice
Burnley	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Cardiff	10.50	11.50	12.50	—
Catholic	10.05	10.75	11.65	— Share a/cs 10.95 over £5,000
Chelsea	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.56 6 mths.
Cheltenham and Gloucester	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Cheltenham and Gloucester	—	11.50	—	— Premium shares including 1.00 bonus p.a. (£15,000 or £20,000)
Citizens Regency	10.25	10.85	12.05	12.85 5 yrs., 12.35 4 yrs., 11.85 3 yrs.
City of London (The)	10.50	10.80	11.80	12.00 Capital City shares—4 mth. not.
Coventry Economic	10.25	10.50	11.75	12.00 4 yrs., 11.5 3 yr., 11.25 3 mth. not.
Coventry Provident	10.25	10.50	12.50	12.55 av. 5 yrs., 12.00 4 yrs., 11.25 3 m.n.
Derbyshire	10.25	10.50	11.75	11.30 3 months' notice
Ealing and Acton	10.25	11.00	—	11.65 2 years, £2,000 minimum
Gateway	10.25	10.50	11.76	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Greenwich	—	10.75	12.00	12.75 6 yrs., 12.25 4 yrs., 11.75 3 yrs.
Guardian	10.25	10.75	—	12.25 6 mth., 11.75 3 mth., min. £1,000
Halifax	10.25	10.50	11.76	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Heart of England	10.25	10.50	11.75	12.50 5 yrs., 11.00 3 months' notice
Hearts of Oak and Enfield ...	10.25	10.75	12.25	12.00 4 yrs., 11.75 3 yrs., 11.50 2 yrs.
Hendon	10.50	11.00	—	12.00 6 months, minimum £2,000
Huddersfield and Bradford...	10.25	10.50	11.76	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Lambeth	10.25	10.75	12.50	12.50 5 yrs., 12.00 6 months' notice
Leamington Spa	10.35	10.60	14.19	12.56 5 yrs., 12.30 4 yrs., 11.90 3 yrs.
Leeds Permanent	10.25	10.50	11.76	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Leicester	10.25	10.50	11.76	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Liverpool	10.25	10.50	11.95	12.50 5 years, minimum £1,000
Melton Mowbray	10.35	10.60	11.75	13.10 6 yrs., 12.10 4 yrs., 11.35 2 yrs.
Mornington	10.75	11.76	—	—
National Counties	10.50	10.80	11.80	11.90 6 mth., 11.35 3 mth., min. £1,000
Nationwide	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.00 1 yr.
New Cross	11.00	11.25	—	11.25 12.50 on share accs., depending on min. balance over 5 mths.
Northern Rock	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Norwich	10.25	10.50	12.00	11.50 3 yrs., 11.25 2 yrs., min. £500
Paddington	10.00	11.00	12.50	11.75 6 mth., 12.00 wdl. 1 mth. loss int.
Peckham Mutual	10.50	11.00	—	—
Portman	10.25	10.50	11.75	12.50 5 yrs., 11.55 6 months' notice
Property Owners	10.25	11.00	12.25	12.50 av. 4 yrs., 12 6 mth., 11.55 3 mth.
Provincial	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Skipton	10.25	10.50	11.75	12.50 5 yrs., 11.6 WDL 1 mth. loss int.
Sussex County	10.60	10.75	12.55	12.55 5 yrs., 12.15 4 yrs., 11.75 3 yrs.
Sussex Mutual	10.50	10.85	12.50	11.25 12.50 all with special options
Town and Country	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Walthamstow	10.25	10.80	11.75	12.60 5 yrs., 11.6 6 mth. not. min. £500
Wessex	10.50	11.20	—	12.60 6 mth. not. WDL min. 3 yrs.
Woolwich	10.25	10.50	11.75	10.75 (6 mths.), rising to 12.50 (5 yrs.)

* Rates normally variable in line with changes in ordinary share rates.
All these rates are after basic rate tax liability has been settled on behalf of the investor.

UK MONEY MARKET

Bank of England Minimum Lending Rate 16 per cent (from July 3, 1980)

The Treasury bill rate fell by 0.2708 per cent at yesterday's tender to 14.1316 per cent, and the minimum accepted bid rose to £96.44 from £96.40 the previous week. Bids at that level were met as to about 30 per cent and above in full. The £200m bills on offer attracted bids of £825.015m, and all bills offered were allotted. Next week a further £200m will be on offer replacing maturities of £300m: 95-day bills were accepted at £96.31½ and 94-day bills at £96.33 and above, in both cases, in full.

In the money market day-to-day credit continued to be in good supply, and the authorities were not required to intervene. The market was faced with a small net take up of Treasury bills to finance, and a small increase in the note circulation. These were more than outweighed by a small excess of Government disbursements over revenue transfers to the Exchequer, and balances brought forward by banks a large way above target. Discount houses were paying around 15¾ per cent for secured call loans at the start, with later balances taken as low as 15 per cent. In the interbank market weekend money opened at 15½-15¾ per cent and eased to 14-14½ per cent during the afternoon, before coming back briefly to 16-16½ per cent. Closing balances were taken around 15 per cent.

EXCHANGES AND BULLION

Trading was mostly quiet in currency markets yesterday ahead of the weekend, with sterling remaining virtually unchanged on balance, and the U.S. dollar finishing above Thursday's levels, but below its best for the day. The pound's trade weighted index closed at 75.6, a level seen at all three of the day's calculations, and unchanged from Thursday. Against the dollar sterling opened at $2.3850-2.3860 and rose to $2.3875-2.3880 before coming back to $2.3820-2.3830 in early afternoon trading. It rose once again to $2.3860-2.3870, but closed at $2.3850-2.3860, a rise of just five points from Thursday.

The dollar was slightly firmer overall, although dealers felt that there was little momentum gained from the latest increase in some major U.S. banks' prime rates to 13½ per cent from 12½ per cent. The dollar closed at DM 1.7960 against the D-mark compared with DM 1.7915 previously, and FFr 4.1740 from FFr 4.1630 in terms of the French franc. On the other hand the Japanese yen continued to improve, with the U.S. unit finishing at Y210.90 against Y212.90. According to Bank of England figures, the dollar's trade weighted index fell to 83.5 from 83.6.

Gold closed at $676-678, a rise of $6 an ounce from Thursday, in quiet featureless trading.

THE POUND SPOT AND FORWARD

Sept. 19	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.3820-2.3880	2.3850-2.3860	1.00-0.90c pm	4.78	1.97-1.87 pm	3.22
Canada	2.7775-2.7840	2.7815-2.7825	1.37-1.27c pm	5.69	3.05-2.95 pm	4.31
Nethlnd.	4.64½-4.67½	4.66-4.67	2⅝-1⅝c pm	5.47	6⅛-5⅛ pm	4.82
Belgium	68.55-68.85	68.65-68.75	27-17c pm	3.84	53-43 pm	2.79
Denmark	13.25½-13.31½	13.29½-13.30½	1½-3¼ore dis	−2.37	9¾-10¾ dis	−2.89
Ireland	1.1355-1.1395	1.1383-1.1393	0.24-0.15p pm	2.05	0.34-0.26 pm	1.05
W. Ger.	4.27½-4.30½	4.28¼-4.29¼	3½-2½pf pm	7.35	7½-9½ pm	6.53
Portugal	119.60-119.30	119.00-119.20	10c pm-35 dis	−1.26	5pm-110dis	−1.76
Spain	175.00-175.65	175.35-175.55	90-135c dis	−7.69	315-395 dis	−8.09
Italy	2032-2037	2035-2036	5-7 lire dis	−3.54	37-40 dis	−7.56
Norway	11.56-11.62	11.56½-11.57½	3¼-2ore pm	2.98	8¼-6¾ pm	2.55
France	9.93-9.92	9.95¼-9.96¼	4¼-3¼c pm	4.52	8¾-7¾ pm	3.31
Sweden	9.90-9.95	9.93½-9.94½	⅛-⅞ore dis	−0.53	3¼-4 dis	−1.48
Japan	500-510	502½-503½	1.40-0.85y pm	2.68	4.15-3.60 pm	3.08
Austria	30.25-30.40	30.33-30.38	13-10gro pm	4.55	27-22 pm	3.23
Switz.	3.90-3.94	3.91¼-3.92¼	3⅞-2⅞c pm	10.32	9⅞-8⅞ pm	9.56

Belgian rate is for convertible francs. Financial franc 69.10-69.20. Six-month forward dollar 2.37-2.27c pm, 12-month 2.75-2.60c pm.

GOLD

	Sept. 19		Sept. 18	
Gold Bullion (fine ounce)				
Close	$676-679	(£283¼-284½)	$671-674	(£281½-282¾)
Opening	$672-675	(£281¾-283)	$668-671	(£279½-280¾)
Morning fixing ...	$674.50	(£282.996)	$674	(£281.631)
Afternoon fixing	$674	(£282.540)	$678	(£281.525)
Gold Coins				
Krugerrand	$697-699	(£292-293½)	$691½-693	(£290-291)
Mapleleaf	$691-694	(£290-292)	$685½-698½	(£286-289)
New Sovereigns	$172-173	(£72-73)	$170¼-171¼	(£71¼-72¼)
King Sovs	$196-200	(£83-84)	$197½-199½	(£82½-84)
Victoria Sovs	$198½-200½	(£83¼-84¼)	$199-200	(£83-84½)
French 20s	$199½ 168½		$166½-189½	
50 pesos Mexico	$854-857		$834-837	
100 Cor. Austria	$660-663		$660-663	
$20 Eagles	$782-785		$782-786	
$10 Eagles	—		—	
$5 Eagles	—		—	

EXCHANGE CROSS RATES

Sept. 18	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.386	4.288	503.0	9.958	3.923	4.665	2056.	2.782	68.70
U.S. Dollar	0.419	1.	1.787	210.9	4.174	1.644	1.956	853.9	1.166	28.80
Deutschemark	0.235	0.569	1.	117.5	2.322	0.915	1.088	474.8	0.649	16.03
Japanese Yen 1,000	1.988	4.743	8.524	1000.	19.80	7.798	9.274	4047.	5.531	136.6
French Franc 10	1.004	2.396	4.308	505.1	10.	3.939	4.685	2044.	2.794	68.99
Swiss Franc	0.255	0.608	1.093	128.3	2.539	1.	1.189	518.9	0.709	17.51
Dutch Guilder	0.214	0.911	0.919	107.8	8.135	0.841	1.	436.5	0.999	14.75
Italian Lira, 1,000	0.491	1.172	2.106	247.1	4.892	1.927	2.292	1000.	1.367	33.75
Canadian Dollar	0.359	0.857	1.541	180.8	3.572	1.410	1.677	751.7	1.	24.69
Belgian Franc 100	1.456	3.472	6.241	732.2	14.49	5.710	6.790	2963.	4.049	100.

FT LONDON INTERBANK FIXING (11.00 a.m. SEPTEMBER 19)

3 months U.S. dollars		6 months U.S. dollars	
bid 12	offer 12 1/8	bid 12 9/16	offer 12 11/16

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris, and Morgan Guaranty Trust.

CURRENCY MOVEMENTS

Sept. 18	Bank of England Index	Morgan Guaranty Changes %
Sterling	75.6	−30.2
U.S. dollar	83.5	−10.0
Canadian dollar	80.4	−17.2
Austrian schilling ..	155.1	+24.0
Belgian franc	116.0	+13.8
Danish kroner	105.8	−5.3
Deutsche mark	153.8	+43.6
Swiss franc	197.0	+79.6
Guilder	125.7	+80.0
French franc	100.8	−6.1
Lira	52.6	−51.6
Yen	196.2	+39.0

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

LONDON MONEY RATES

Sept. 18 1980	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposits	Treasury Bills ф	Eligible Bank Bills ф	Fine Trade Bills ф
Overnight	—	14-16⅛	—	—	—	15¾-16	15-16½	—	—	—
2 days notice..	—	—	16⅛-16¼	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice..	—	18⅛-16¼	16¼-16⅜	—	16½	16½	15¼-15⅝	—	—	—
One month	16⅛-16⅛	16 1/16-16 3/16	16⅜	17¼-17⅝	16 5/16	16⅛	15½	14 7/16	16 1/16	19⅞
Two months ...	16-15 15/16	15 15/16-15 13/16	—	16¾-17	16 5/16	—	14¼-14¾	14 7/16-14⅜	15 3/32	16¼
Three months.	15½-15⅜	16 1/16-15 13/16	16⅛	15¼-15¾	15 11/16	16	14-14¼	14 7/16-14⅜	14⅞-14 11/16	16¾
Six months	14 11/16-14 7/16	14⅝-14¾	14⅝-14¾	14⅛-14⅝	14 15/16	16¼	—	—	13 15/16-15 11/16	14¼
Nine months ...	13¾-13 13/16	15⅞ 13¾	—	14⅞-14½	14 7/16	14½	—	—	—	—
One Year	13 11/16-15 7/16	13⅝-13¾	15⅝-19¼	13½-13⅞	13 13/16	14¼	—	—	—	—
Two years	—	—	13⅝-13¾	—	—	—	—	—	—	—

Local authority and finance houses seven days' notice, others seven days' fixed. Long-term local authority mortgage rates nominally three years 13⅝ per cent; four years 13½-13⅝ per cent; five years 13½ per cent. фBank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 14½-14⅝ per cent; four-month trade bills 15⅛ per cent.

Approximate selling rate for one-month Treasury bill 14 5/16-14⅜ per cent; two-months 14 5/16-14¼ per cent; three-months 14⅛-14¼ per cent. Approximate selling rate for one-month bank bills 18 1/16 per cent; two-months 15 7/16 per cent; three-months 14 13/32-14¼ per cent; one-month trade bills 16⅛ per cent; two-months 16 per cent; and three-months 15½ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 16½ per cent from September 1, 1980. Clearing Bank Deposit Rates for sums at seven days' notice 14 per cent. Clearing Bank Rates for lending 16 per cent. Treasury Bills: Average tender rates of discount 14.1319 per cent.

EURO-CURRENCY INTEREST RATES (Market Closing Rates)

Sept. 19	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
†Short term	—	10¾-11	10-11½	9¾-9⅞	1-1½	8½-9⅝	11½-11¾	14-18	4-4⅛	19-17
7 days' notice.	18⅛-19⅛	10¾-11	10-11½	9 11/16-10⅛	1¼-1½	8⅛-8⅝	11½-11¾	14¾-18¾	10 11/16-11 1/16	17-18
Month	18¼-16⅝	11⅜-11⅝	10½-10⅞	10 7/16-10 9/16	5⅜-5½	9⅝-8 11/16	11 11/16-12 1/16	19½-21½	11 1/16-11 3/16	14⅞-14⅜
Three months ...	15⅝-16⅝	11⅛-12⅛	11-11⅜	10⅝-10⅛	5 1/16-5 3/16	8 5/16-8⅝	12-12¼	23-24	12-12⅝	18⅛-12⅜
Six months	14⅝-14⅞	12½-18¾	11¾-18⅛	10½-10⅝	5¾-5⅞	8⅜-8 7/16	18⅜-12⅝	24½-25½	12 5/16-12 7/16	11¼-11½
One Year	13¾-14	12⅛-18¾	18⅛-18¼	10⅜-10½	5⅝-5 15/16	8 5/16-8 7/16	12⅝-12⅞	23½-24½	12½-12⅜	10-10¼

Long-term Eurodollar two years 12⅝-12⅞ per cent; three years 12⅝-12⅞ per cent; four years 12⅝-12⅞ per cent; five years 12⅝-12⅞ per cent nominal closing rates. Short-term rates are call for sterling, U.S. dollars, Canadian dollars and Japanese yen; others two-days' notice. Asian rates are closing rates in Singapore.

The following nominal rates were quoted for London dollar certificates of deposit: one-month 11.10-11.20 per cent; three-months 11.75-11.85 per cent; six-months 12.20-12.30 per cent; one year 12.35-12.45 per cent.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU September 19	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc ...	39.7897	40.6077	+2.06	+0.80	±1.53
Danish Krone ...	7.72336	7.84378	+1.56	+0.30	±1.64
German D-Mark	2.48208	2.53040	+1.95	+0.69	±1.125
French Franc ...	5.84700	5.88336	+0.62	−0.64	±1.3557
Dutch Guilder ...	2.74362	2.74983	+0.23	−1.03	±1.512
Irish Punt	0.668201	0.672336	+0.62	−0.64	±1.668
Italian Lira	1157.79	1200.95	+3.70	+2.51	±4.08

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

OTHER CURRENCIES

Sept. 19	£	$		£ Note Rates
Argentina Peso ...	4582-4602	1822-1828	Austria	30.20-30.90
Australia Dollar...	2.0315-2.0345	0.8520-0.8526	Belgium	68.50-69.20
Brazil Cruzeiro...	134.58-135.58	56.54-56.74	Denmark	15.96-15.36
Finland Markka...	8.70-8.71	3.6510-3.6525	France	9.90-9.99
Greek Drachma...	101.874-104.356	49.80-49.00	Germany	4.26-4.30
Hong Kong Dollar	11.80¾-11.82¾	4.9560-4.9570	Italy	8010-2196
Iran Rial	n.a.	n.a.	Japan	504-510
Kuwait Dinar(KD)	0.633-0.639	0.9667-0.9668	Netherlands	4.63½-4.67½
Luxembourg Frc.	68.65-68.75	28.78-28.80	Norway	11.56-11.98
Malaysia Dollar...	5.0440-5.0540	2.1170-2.1190	Portugal	115½-128½
New Zealand Dlr.	2.4255-2.4275	1.0160-1.0170	Spain	170½-179½
Saudi Arab. Riyal.	7.88-7.94	3.3190-3.3210	Sweden	9.90-10.00
Singapore Dollar	5.0205-5.0305	2.1060-2.1085	Switzerland	3.90¾-3.93¾
Sth. African Rand	1.7960-1.7975	0.7530-0.7535	United States	2.3780-2.3855
U.A.E. Dirham	8.76-8.82	3.6885-3.6805	Yugoslavia	70-72

Rate given for Argentina is free rate.

U.K. CONVERTIBLE STOCKS 20/9/80

Statistics provided by dataSTREAM International

Name and description	Size (£m)	Current price	Terms*	Con-version dates	Flat yield	Red. yield	Premium† Current	Premium† Range‡	Income Equ.§	Income Conv.¶	Income Diff.♡	Cheap(+) Dear(−)◇ Current
Bank Ireland 10pc Cv. 81/96	1.20	152.00	47.6	77-81	6.8	4.4	−17.7	−18 to −7	0.0	9.7	5.2	+23.0
British Land 12pc Cv. 2002	7.71	313.00	333.3	80-97	3.9	1.2	−2.2	−5 to 4	17.2	91.9	23.4	+25.5
Hanson Tr. 6½pc Cv. 88/93	3.02	97.00	67.1	76-81	6.7	6.8	−7.2	−7 to 1	3.1	0.0	−3.0	+4.2
Slough Ests. 10pc Cv. 87/90	5.44	282.00	187.6	78-85	3.6		−1.1	−6 to 2	28.1	35.1	2.5	+3.5
Slough Ests. 8pc Cv. 91/94	24.88	134.00	78.0	80-91	6.1	4.2	13.0	13 to 19	25.7	48.9	19.6	+6.6
Wilk. Match 10pc Cv. 84/98	11.10	91.00	40.0	76-83	11.3	11.5	24.3	22 to 55	15.3	25.3	13.8	−10.5

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent per annum. ♡ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ◇ The difference between the premium and income difference expressed as per cent of the value of underlying equity. + is an indication of relative cheapness. − is an indication of relative dearness.

Recession clouds over equity markets with GKN again leading the downturn—Gilts follow but Golds shine

Account Dealing Dates

Option

*First Dealings	Declarations	Last Dealings	Account Day
Sept. 1	Sept. 11	Sept. 12	Sept. 22
Sept. 15	Sept. 25	Sept. 26	Oct. 6
Sept. 29	Oct. 9	Oct. 10	Oct. 20

* "New time" dealings may take place from 9 am two business days earlier.

The realities of deepening recession brought home on Thursday by leading engineering group Guest Keen, which shook London equities late Thursday by cutting its interim dividend for the first time in over 40 years and announcing a sharp fall in earnings with little relief seen for the current half-year, still dominated stock markets yesterday. Consideration of the increasing financial pressure on industry, emphasised only 24 hours earlier in the Bank of England's latest quarterly bulletin, kept institutional and other investors firmly on the sidelines.

Leading shares made little concerted effort to rally after being lowered at the opening and the pressure remained on GKN. Although buying was on occasion sizeable, GKN were able only to bump along the day's lowest and closed a further 7 down for a two-day slump of 37 at 191p. Other Engineerings eased in sympathy, but little selling developed and **Tube Investments**, along with some other leaders, eventually regained the overnight level. Illustrating the unsettled trend, the FT Industrial Ordinary share index, which at 2 pm on Thursday appeared set to test its 1980 high, closed above the worst but 3.3 down at 494.4 for a fall of 14.5 on the week.

The Government's attempt to contain local authority spending made scant impression on Gilt-edged which traded quietly before turning down in the afternoon session ahead of and after news of fresh U.S. Prime rate increases, generally to 12½ per cent. The tone of the market was indicative of recent investment buyers having some difficulty in digesting stock purchases, and longer-dated issues finally lost ½. The debut of the new long tap was uninteresting, Exchequer 12 per cent 1988 A closing at ¼ discount on the issue price of 92½, £50-paid. Shorter *maturities* were again *guided* by the trend of the longs and sustained losses.

The overall drabness of stock markets was, however, relieved by another strong advance in South African Gold shares. Fresh widespread attempted buying impinged on a market experiencing an acute stock shortage and brought further gains among heavyweight issues ranging to 2¼ points. The FT Gold Mines index jumped 17.1 for a week's advance of 36.4 to an all-time peak of 504.8.

Consolidated Gold Fields continued to attract an active business in Traded options, contributing 318 deals to a total of 766, slightly above the previous day's 645.

O.R.E., which staged a successful debut on Tuesday, attracted fresh support and put on 11 to 125p which compares with Tuesday's opening level of 92p and the placing price of 67p; the shares are dealt under Special Rule.

Insurances easier

Insurances succumbed to the general dull trend as profit-taking after the recent good gains prompted falls ranging to 9. **Willis Faber** cheapened that much but still closed 34 higher on the week at 260p following the better-than-expected interim results. **Minet** shed 5 to 112p, **Alexander Howden** 3 to 103p and **Stewart Wrightson** 2 to 240p; the last-named is due to announce half-yearly results next Tuesday. **Eagle Star**, which reported satisfactory first-half results on Wednesday, closed 8 lower at 262p among Composites among which **Phoenix** declined 6 to 312p and **General Accident** and **GRE** relinquished 4 apiece to the common level of 366p.

Further consideration of the chairman's warning about prospects for the current year saw **Distillers** down to 212p in the early business, but support after the official close left the shares a net 3 better at 218p, still down 12 on the week. **Arthur Bell** fell 6 for a two-day fall of 10 at 186p. Among Breweries, a down-graded profits forecast from a leading broker clipped 3 from **Bass**, 237p.

Leading Building issues proved sensitive to small offerings and **Blue Circle** and **Redland** both shed 4 to 354p and 170p respectively, while **Taylor Woodrow** cheapened 10 to 482p. **Magnet and Southerns** lost 7 to 163p on the chairman's cautious remarks at the annual meeting, but **Breedon and Cloud Hill Lime Works** hardened a penny to 106p in response to the higher interim profits. *Elsewhere*, **Tilbury Contracting** and **Wilson (Connolly)** added 6 apiece to 213p and 120p respectively in thin markets, while **William Whittingham** added another 4 to 118p. **Richards and Wallington**, a rising market of late on recovery hopes, eased 3 to 52p but retained a gain on the week of 7.

The 36 per cent drop in half-year profits and unchanged interim dividend to be paid from reserves left **Laporte** 8 down at 97p. **Fisons**, interim results next Monday, encountered nervous selling and shed 8 to a 1980 low of 212p, but **Croda** continued firmly despite the halved interim profits and added 2 to 37p.

UDS up again

Bearish comment following the interim profits slump failed to unsettle **UDS** which firmed a couple of pence more to 70p. Elsewhere, leading Stores recovered from early dullness to close around the overnight levels. **Raybeck** added 3 to 74p. Recent speculative high-flyers continued to succumb to profit-taking. **Cornell Dresses**, in which Mr. Asil Nadir has an option on a controlling interest, fell 6 for a fall on the week of 28 at 58p, while **J. Hepworth** gave up 3 at 89p, still up 7 on the week. **Liberty** eased 3 to 147p following the first half loss and halved dividend, while **Grattan Warehouses**, interim next Wednesday, shed 2 more to 52p. Support was lacking for **Harris Queensway**, 6 cheaper at 158p. In Shoes, Press comment aided **Garner Scotblair**, a penny better at 65p; *the first half results are expected* on Monday.

Dull at the beginning of the week on adverse comment and a broker's bearish circular, similar conditions returned to the Electrical leaders yesterday as they mirrored the general depressed trend. **Racal** stood out with a fall of 11 to 321p, while **GEC** closed 5 off at 530p, after 523p. **Thorn EMI** dipped 4 to 354p, after 352p, and **Plessey** finished a similar amount lower at 251p, after 248p. Elsewhere, **Bowthorpe** gave up 6 to 165p. Sold down to 425p ahead of the interim results, **STC** were marked up to 442p following details of the doubled dividend and 42½ per cent increase in first half profits and closed only 4 easier on balance at 438p.

GKN fell 7 more for a two-day collapse of 37 to 191p following comment on the depressing interim statement. Other Engineerings were marked lower throughout the list in sympathy. **Vickers** fell 6 to 125p ahead of next Thursday's interim figures, while **Hawker** shed a similar amount to 228p and **Tubes** cheapened 2 more to a 1980 low of 230p. Elsewhere, **Aurora** dropped 6 to 48p on nervous selling ahead of Tuesday's mid-term results, while **Desoutter Brothers** lost 5 to 117p following the reduced half year earnings.

Falls of between 5 and 7 were seen in **Edbro**, 76p, **Renold**, 75p, **Vosper**, 105p, **Westland**, 146p, and **RHP**, 105p. Comment on the interim results caused **Delta Metal**, at 57p, to give up 1½ of the previous day's gain of 3½, while *Francis Shaw* eased a fraction to 10p on the interim deficit and **Braham Millier** lost 3 to 12p. By way of contrast, **F. H. Lloyd** edged forward a couple of pence to 40p following an investment recommendation.

Foods had *contrasting features* in **J. N. Nickolls (Vimto)** and **Bernard Matthews**, the former gaining 23 to 235p, after 240p, following an investment recommendation, and the latter losing 10 for a two-day fall of 22 to 245p on small selling. Among the leaders, comment on the interim results clipped a couple of pence more from **Rowntree Mackintosh**, at 172p.

Euro. Ferries fall

European Ferries took a turn for the worse in Miscellaneous Industrials, falling to 166p before closing a net 10½ down on balance at 169p following the disappointing interim results which accompanied details of the company's £23½m acquisition of *the Singer and Friedlander* merchant bank group from Bowring. The interim dividend omission and half-year loss prompted a fall of 2 to 21p in **Camrex**, while **Change Wares** shed 1½ to 4½p, also after poor trading results. **ICL** lost 11 to 176p and **Smiths Industries** 7 to 253p, while **Brown Boveri Kent** declined 3 more to 25p, the last-mentioned on further consideration of the interim loss. Profit-taking after the good rise on the company's bullion interests and revived suggestions of a bid from Charter Consolidated left **Johnson Matthey** 8 lower on the day but still a net 29 up on the week at 265p. **Steetley** shed 4 more to 184p after comment on the interim profits contraction. *Esperanza*, however, *added 6 to* 130p on Rothschild's increased shareholding and **RTD** rose 4 to 18p on the bid situation. Reflecting bid hopes, **United Carriers** added 4 to 184p, while **St. Georges Laundry**, in which a sub*stantial shareholding* recently changed hands, rose 5 to 86p. Apart from **Bowater**, which hardened 2 to 173p, after 175p, the leaders generally drifted gently lower with sentiment still soured by GKN's poor interim statement.

GKN's depressing interim statement unsettled Motor Components, **Lucas**, which announces preliminary results early next month, fell 7 for a two-day fall of 16 at 194p, while **Associated Engineering** dipped 6 to 52p. **Bluemel** shed 3 to 40p, while **Armstrong Equipment**, annual results next Wednesday, eased 4 to 40p. **Herman Smith** firmed 2 to 27p; the price in yesterday's issue was incorrect.

Leading Properties gave ground as stock came on offer, **Land Securities** closing 5 off at 386p and **MEPC** 4 cheaper at 247p. **Great Portland Estates** also shed 4, to 234p. Recently firm **Marler Estates**, at 105p, gave up 3 of the previous day's gain of 14 which followed the announcement of bid approaches, but still retained a gain on the week of 26. **Mountleigh** continued firmly, up 4 more at 108p in a thin market, while **Clarke Nickolls** added 6 for a two-day gain of 9 to 133p on a broker's circular. **Laganvale Estates**, in *which Mr. Jim Slater holds a 17* per cent stake, put on 4 to 41½p, while the new nil paid shares added 5 to 11p premium.

Investment Trusts generally closed with modest falls, although selected Capital issues again showed good rises. **City and Commercial Capital** picked up 8 more to 226p, while **Derby Capital** jumped 10 to 287p.

Textiles were rarely altered, though **Montfort (Knitting Mills)** shed 3 to 62p following an adverse Press mention.

Assam Frontier Tea stood out in quiet *Plantations, rising* 12 to 235p in response to the doubled dividend and substantially higher annual earnings.

Gold index over 500

South African Gold shares ended the week in strong form as persistent and sizeable buying in a market short of stock prompted substantial gains throughout the list and lifted the Gold Mines index 17.1 to a record 504.8.

The market opened on a firm note and attracted renewed *Johannesburg* and London interest throughout the morning. This buying saw share prices rise gradually throughout the day before staging a sharp advance in the after-hours' trade in the wake of American demand.

The heavyweights were featured by **Western Deep** and **Western Holdings** which put on around £2½ to £30½ and £43⅞ respectively. Gains of a point and more were common to **Buffels**, £25, **West Driefontein**, £48⅞, **Randfontein**, £41 and **St. Helena**, £26. In the medium and lower-priced issues, **ERGO** were prominent with an advance of 36 to 591p.

In South African Financials, *Anglo American Corporation rose* 15 to a year's high of 805p and "Amgold" £1⅛ to £51, also a new high.

The London-based Financials were featured by **Gold Fields** which jumped 17 more to a record 625p still reflecting the 60 per cent advance in profits announced last Wednesday.

RTZ held steady at 475p, 12 cheaper on the week, following news of a £126m rights issue in convertible loan stock announced on Wednesday along with the increased interim profits and dividend.

Platinums made further progress in sympathy with Golds. **Impala** put on 5 for a rise of 80 on the week to 530p, while **Rustenburg** added 12 to 348p.

Australians were generally lower, in line with overnight domestic markets. **MIM Holdings** gave up 10 to 227p ex the one-for-four scrip issue.

The Rundle twins gave ground at the outset following news that the first phase of the Rundle development may cost U.S.$1.1bn, more than double initial estimates. **Central Pacific** closed ½ off at £37, after £36½, while **Southern Pacific** were finally unchanged at £14, after £13½. Elsewhere, **Silvermines** fell further in the wake of **Aran Energy**, closing 5 down on balance at 110p, after 103p.

FINANCIAL TIMES STOCK INDICES

	Sept. 19	Sept. 18	Sept. 17	Sept. 16	Sept. 15	Sept. 12	A year ago
Government Secs....	70.79	71.19	70.51	70.47	70.76	70.84	72.20
Fixed Interest.........	72.09	71.97	71.78	71.71	71.76	71.29	72.70
Industrial Ord..........	494.4	497.7	500.8	498.3	500.7	508.9	460.3
Gold Mines.............	504.8	487.7	487.8	464.7	470.2	468.4	210.1
Ord. Div. Yield	7.40	7.35	7.33	7.37	7.36	7.22	7.05
Earnings, Yld. % (full)	16.87	17.36	17.27	17.33	17.33	17.00	18.22
P/E Ratio (net) (*).....	7.27	7.02	7.05	7.02	7.03	7.17	6.71
Total Bargains	19,646	20,602	18,974	21,197	22,304	23,896	17,868
Equity turnover £m..	—	150.16	120.54	94.90	129.36	157.76	85.07
Equity bargains total	—	17,162	16,906	17,474	17,907	19,957	14,619

10 am 493.3. 11 am 491.2. Noon 492.9. 1 pm 492.3.
2 pm 492.3. 3 pm 493.0.
Latest Index 01-246 8026.
*Nil=6.77.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1980 High	1980 Low	Since Compilat'n High	Since Compilat'n Low
Govt Secs..	72.54 (21/7)	63.65 (7/3)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int....	74.06 (24/7)	64.70 (19/3)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord......	508.9 (12/9)	406.9 (3/1)	558.6 (4/5/79)	49.4 (26/6/40)
Gold Mines.	504.8 (19/9)	255.5 (18/3)	504.8 (19/9/80)	43.5 (26/10/71)

S.E. ACTIVITY

	Sept. 18	Sept. 16
—Daily		
Gilt Edged...	25.6	107.4
Industrials...	112.4	116.6
Speculative.	71.4	66.4
Totals.........	76.9	21.9
5-day Avrge.		
Gilt Edged...	111.0	111.9
Industrials...	122.4	126.2
Speculative.	82.8	82.0
Totals.........	86.1	87.7

OPTIONS

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
Sept. 22	Oct. 3	Dec. 18	Dec. 29
Oct. 6	Oct. 17	Jan. 8	Jan. 19
Oct. 20	Oct. 31	Jan. 22	Feb. 2

For rate indications see end of Share Information Service

Money was given for the call in Target Petroleum, Montague L. Meyer, CRA, Courtaulds, Oil Search, Minster Assets, Racal, Anderson Strathclyde, Babcock International, Royal Bank of Scotland, Raglan Properties, Second City Properties, Woodside, Thomas Borthwick, Double Eagle, Maddock and Berkeley Exploration. Puts were dealt in GEC, Distillers, Trusthouse Forte and Metal Box. No doubles were reported.

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid Up	Latest Renunc. Date	1980 High	1980 Low	Stock	Closing Price p	+ or −	Div. P. or Amount	Times Covered	Gross Yield	P.E. Ratio
160	F.P.	—	116	91	††Baker Electronics 10p	105	......	b5.85	2.0	5.2	11.1
[illegible]	F.P.	—	274	216	Brint Invs..............	274	+5	—	—	—	—
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST STOCKS

Issue Price £	Amount Paid Up	Latest Renunc. Date	1980 High	1980 Low	Stock	Closing Price £	+ or −
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

"RIGHTS" OFFERS

Issue Price p	Amount Paid Up	Latest Renunc. Date	1980 High	1980 Low	Stock	Closing Price p	+ or −
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Fri., Sept. 19, 1980 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Thurs., Sept. 18 Index No.	Wed., Sept. 17 Index No.	Tues., Sept. 16 Index No.	Mon., Sept. 15 Index No.	Year ago (approx.) Index No.	1980 High	1980 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (171)	291.81	−1.5	15.03	5.64	8.08	296.16	294.89	292.63	293.41	236.51	296.77 (12/9)	208.87 (3/1)	296.77 (12/9/80)	50.71 (13/12/74)
2	Building Materials (26)	259.77	−0.9	17.80	6.57	6.66	262.06	260.52	259.79	261.93	230.63	268.14 (21/7)	194.00 (3/1)	270.52 (8/5/79)	44.27 (11/12/74)
3	Contracting, Construction (27)	434.48	−0.6	21.40	5.61	5.55	437.01	433.86	432.46	432.97	378.76	437.01 (18/9)	313.00 (3/1)	451.74 (4/5/79)	71.48 (2/12/74)
4	Electricals (17)	894.43	−1.2	10.81	2.98	11.32	905.16	897.19	889.42	888.21	605.49	915.94 (12/9)	539.56 (2/1)	915.94 (12/9/80)	84.71 (25/6/62)
5	Engineering Contractors (11)	353.68	−0.9	17.51	7.35	7.29	356.79	354.26	350.83	353.92	321.32	356.79 (18/9)	264.74 (30/5)	429.70 (4/5/79)	64.39 (2/1/75)
6	Mechanical Engineering (72)	182.59	−2.2	15.89	7.31	7.69	186.76	186.10	184.55	186.30	160.21	190.20 (18/7)	146.46 (3/1)	211.08 (8/5/79)	45.43 (6/1/75)
8	Metals and Metal Forming (16)	165.10	−2.9	17.68	9.82	7.03	170.00	173.04	170.48	168.97	155.68	173.09 (18/7)	141.95 (2/1)	192.29 (4/5/79)	49.65 (6/1/75)
11	CONSUMER GOODS (DURABLE) (49)	244.87	−2.2	15.15	5.14	9.02	250.27	248.33	247.13	248.71	231.98	253.81 (12/9)	184.82 (3/1)	259.88 (8/5/79)	38.39 (6/1/75)
12	Lt. Electronics, Radio, TV (14)	378.25	−2.2	12.59	3.65	12.05	386.68	381.59	379.93	382.27	332.42	392.58 (10/9)	247.36 (3/1)	392.58 (10/9/80)	42.85 (13/12/74)
13	Household Goods (14)	88.15	−0.6	27.29	11.17	4.62	88.72	89.32	89.54	89.44	141.23	116.40 (1/1)	87.06 (2/9)	263.22 (4/5/72)	63.92 (17/12/74)
14	Motors and Distributors (21)	99.85	−2.4	22.15	9.41	5.20	102.27	103.21	102.38	103.27	108.64	115.86 (29/1)	94.70 (4/6)	170.59 (15/1/69)	19.91 (6/1/75)
21	CONSUMER GOODS (NON DURABLES) (172)	245.56	−0.5	16.78	6.59	7.20	246.76	245.65	245.30	246.86	232.95	248.78 (12/9)	200.15 (3/1)	269.81 (4/5/79)	61.41 (13/12/74)
22	Breweries (14)	295.45	−0.6	15.39	6.24	7.59	297.09	297.58	296.55	298.11	283.23	306.45 (8/7)	248.93 (3/1)	306.45 (8/7/80)	69.47 (13/12/74)
23	Wines and Spirits (5)	317.29	+0.9	19.29	6.42	6.13	314.51	327.15	325.97	329.52	322.91	338.01 (9/9)	278.92 (2/6)	352.29 (29/3/79)	78.88 (13/12/74)
24	Entertainment, Catering (17)	350.86	−0.3	16.52	6.37	7.45	352.05	349.07	348.38	350.29	307.80	352.05 (18/9)	268.87 (3/1)	374.32 (3/5/79)	54.83 (9/1/75)
25	Food Manufacturers (22)	223.96	−1.1	17.92	6.78	6.58	226.47	224.73	222.83	224.93	206.47	226.47 (18/9)	183.95 (28/3)	236.75 (4/5/79)	59.67 (11/12/74)
26	Food Retailing (13)	399.48	−1.0	11.74	3.89	10.11	403.65	402.44	395.54	401.95	301.46	403.65 (18/9)	286.28 (3/1)	403.65 (18/9/80)	54.25 (11/12/74)
32	Newspapers, Publishing (12)	448.56	−0.1	20.95	7.12	6.39	448.82	442.43	438.41	441.63	419.23	455.30 (14/2)	378.52 (3/1)	492.56 (8/5/79)	55.08 (6/1/75)
33	Packaging and Paper (15)	129.52	−0.1	27.28	10.07	4.27	129.63	128.50	128.78	129.26	130.38	140.51 (21/7)	111.30 (3/1)	155.65 (14/9/78)	43.46 (6/1/75)
34	Stores (45)	242.93	−0.3	12.71	5.17	10.27	243.77	241.33	242.01	242.52	231.22	246.85 (12/9)	188.71 (3/1)	273.48 (4/5/79)	52.63 (6/1/75)
35	Textiles (21)	120.35	−0.4	26.04	12.80	4.68	120.80	120.59	120.47	120.98	151.35	140.52 (14/7)	116.89 (6/6)	235.72 (17/1/67)	62.66 (11/12/74)
36	Tobaccos (3)	231.95	−0.4	24.74	10.04	4.60	232.96	231.45	234.90	236.87	239.30	240.29 (12/9)	192.86 (3/1)	339.16 (2/8/72)	94.34 (13/6/62)
37	Toys and Games (5)	24.67	—	9.12	15.46	25.36	24.67	24.86	25.04	25.46	68.11	47.59 (1/1)	24.67 (18/9)	135.72 (16/1/70)	20.92 (6/1/75)
41	OTHER GROUPS (99)	227.43	−0.6	15.59	6.86	7.69	228.82	227.26	226.08	227.62	202.61	230.85 (21/7)	184.19 (3/1)	234.76 (8/5/79)	58.63 (6/1/75)
42	Chemicals (16)	313.29	−0.5	17.52	7.76	6.69	314.73	312.78	312.18	312.80	283.63	326.53 (7/7)	276.80 (3/1)	329.77 (4/5/79)	71.20 (1/12/74)
43	Pharmaceutical Products (7)	243.21	+0.2	10.32	5.70	11.99	242.64	240.89	238.40	240.75	227.94	243.21 (19/9)	175.38 (28/5)	291.13 (14/9/78)	175.38 (28/5/80)
44	Office Equipment (6)	103.76	−1.2	19.81	8.00	5.90	104.97	103.26	103.57	105.32	118.53	123.10 (14/2)	98.57 (2/6)	246.06 (1/9/72)	45.34 (2/1/75)
45	Shipping (10)	580.58	−1.9	13.14	6.14	9.30	591.54	591.88	588.81	595.86	451.50	617.88 (22/8)	411.53 (10/1)	617.88 (22/8/80)	90.80 (29/6/62)
46	Miscellaneous (60)	283.53	−0.9	16.36	6.57	7.44	285.97	283.91	281.94	283.97	238.45	287.99 (31/7)	211.86 (3/1)	287.99 (31/7/80)	60.39 (6/7/75)
49	INDUSTRIAL GROUP (491)	260.55	−0.9	15.92	6.28	7.65	262.94	261.57	260.46	261.82	233.63	264.55 (12/9)	203.76 (3/1)	273.03 (4/5/79)	59.01 (13/12/74)
51	Oils (8)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
59	500 SHARE INDEX	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
61	FINANCIAL GROUP (118)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
62	Banks (6)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
63	Discount Houses (10)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
64	Hire Purchase (5)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
65	Insurance (Life) (10)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
66	Insurance (Composite) (9)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
67	Insurance Brokers (9)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
68	Merchant Banks (12)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
69	Property (45)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
70	Miscellaneous (12)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
71	Investment Trusts (109)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
81	Mining Finance (4)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
91	Overseas Traders (20)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
99	ALL-SHARE INDEX (750)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST PRICE INDICES

	British Government	Fri., Sept. 19	Day's change %	xd adj. today	xd adj. 1980 to date
1	Under 5 years	106.81	−0.64	—	7.62
2	5-15 years	113.28	−0.34	—	9.07
3	Over 15 years	119.31	−0.41	—	9.56
4	Irredeemables	132.77	−0.59	—	8.56
5	All stocks	112.99	−0.28	—	8.62

	FIXED INTEREST YIELDS British Govt. Av. Gross Red.		Fri., Sept. 19	Thurs., Sept. 18	Year ago (approx.)	1980 Highs	1980 Lows
1	Low Coupons	5 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2		15 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3		25 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
4	Medium Coupons	5 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
5		15 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
6		25 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
7	High Coupons	5 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
8		15 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
9		25 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
10	Irredeemables		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

		Fri., Sept. 19 Index No.	Yield %	Thur. Sept. 18	Wed. Sept. 17	Tues. Sept. 16	Mon. Sept. 15	Fri. Sept. 12	Thur. Sept. 11	Wed. Sept. 10	Year ago (approx.)	1980 Highs	1980 Lows	Since Compilation Highs	Since Compilation Lows
15	20-yr. Red. Deb. & Loans (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
16	Investment Trust Prefs. (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
17	Coml. and Indl. Prefs. (20)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

NEW HIGHS AND LOWS FOR 1980

The following shares quoted in the Share Information Service yesterday attained new Highs and Lows for 1980.

NEW HIGHS (136)

AMERICANS (8)
BANKS (4)
BUILDINGS (5)
ELECTRICALS (3)
ENGINEERING (1)
FOODS (1)
INDUSTRIALS (13)
INSURANCE (2)
LEISURE (2)
MOTORS (1)
PAPER (1)
PROPERTY (9)
TRUSTS (39)
OIL & GAS (1)
OVERSEAS TRADERS (3)
RUBBERS (1)
MINES (42)

NEW LOWS (38)

BUILDINGS (1)
Heywood Williams
CHEMICALS (1)
Fisons
STORES (2)
Liberty Non-Voting
Vantona
ENGINEERING (13)
Alcan Aluminium, GKN, Amalgamated Power, Johnson & Firth Brown, Birmid Qualcast, Brockhouse, Tecalemit, Brown & Tawse, Tube Investments, Butterfield Harvey, Utd. Wire, Duport, Weir Group
INDUSTRIALS (15)
Alpine Holdings, Dom Holdings, Austin (F.) (Leyton), Dufay Bitumastic, Berwick Timpo, Findlay Hardware, Brown Boveri Kent, Plastic Constructions, Camrex, Rock Darham, Cape Industries, Rockware, Centreway, Williams (J.), Chubb
MOTORS (2)
Bluemel Brothers, Assoc. Engineering
TEXTILES (3)
Caird (Dundee), Montfort, Foster (John)
TRUSTS (1)
Kitchen (Robert Taylor)

RISES AND FALLS

	Yesterday Up	Yesterday Down	Yesterday Same	On the week Up	On the week Down	On the week Same
British Funds	—	78	18	172	191	117
Corpns. Dom. and Foreign Bonds	10	10	45	64	35	226
Industrials	147	414	832	1,253	1,265	4,447
Financial and Prop.	82	149	263	897	375	1,209
Oils	11	23	22	99	78	103
Plantations	7	3	14	29	22	69
Mines	69	23	65	290	182	313
Others	50	37	73	288	154	359
Totals	376	737	1,332	3,090	2,302	6,843

UNIT TRUST SERVICE

OFFSHORE & OVERSEAS—contd.

Quest Fund Mngmnt. (Jersey) Ltd.
PO Box 194, St. Helier, Jersey. 0534 27441

[illegible]

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)
72-80, Gatehouse Rd., Aylesbury 0296 5941

Abbey Amer. Gth. Tst.	53.2	57.2	.....	2.53
Abbey Capital	43.4	46.9	-0.5	5.22
Abbey General	54.4	58.8	-0.7	5.34
Abbey Gilt & F.I. Tst.	113.2	119.2	-0.5	11.48
Abbey Income	36.0	37.8	-0.5	9.15
Abbey W'Wide Bd Tst.	93.3	98.7	.....	6.79
Abbey Inv. Tst. Fnd.	48.0	51.9	.....	4.89
Equitas Prog. Trust	82.6	89.3	-1.0	4.83

Allen Harvey & Ross Unit Tst. Mngrs.
45, Cornhill, London EC3V 3PB. 01-623 6314.

AHR Gilt Trust	92.5	97.4	-0.5	12.62

Allied Hambro Ltd. (a) (g)
Hambro Hse., Hutton, Brentwood, Essex.
01-588 2851 or Brentwood (0277) 211459

Balanced Funds				
Allied 1st	87.2	93.3	-1.0	5.95
Brit. Inds. Fund	78.1	83.6	-0.8	6.22
Growth & Income	48.9	52.3	-0.5	5.32
Elect. & Ind. Dev.	43.6	46.7	-0.4	5.25
Allied Capital	93.7	100.3	-0.9	4.44
Hambro Fund	134.3	143.7	-1.5	6.04
Hambro Acc. Fund	172.1	184.1	-1.3	4.89
Income Funds				
High Yield Fd.	65.0	69.6	-0.5	9.41
High Income	77.4	82.9	-0.7	7.67
A. H. Eq. Inc.	46.3	48.5	-0.3	7.48
Govt. Secs.	26.6	27.3	-0.1	11.65
International Funds				
International	33.0	35.3	-0.2	3.06
Pacific Fund	56.2	60.1	+0.5	2.05
Secs. Of America	67.3	72.0	-0.3	2.50
Specialist Funds				
Smaller Co.'s Fd.	52.3	56.0	.....	4.55
2nd Smlr. Co's Fd.	61.1	65.4	.....	4.99
Recovery Sits.	129.6	138.7	-0.8	6.02
Met. Min. & C'dty.	71.6	76.6	+0.1	3.85
Overseas Earnings	68.0	72.8	-0.6	5.29
Exempt Funds				

Confederation Funds Mgt. Ltd. (a)
50, Chancery Lane, WC2A 1HE. 01-242 0282

Growth Fund	68.9	72.5	.....	4.12

For Cosmopolitan see Chieftain Fund Managers.

Craigmount Unit Tst. Mgrs. Ltd.
40 Bucklersbury, London EC4N 8BD. 01-248 4984

High Income	36.6	40.0	-0.5	11.30
North American	55.6	60.0	-0.4	2.06
Canadian Exempt*	62.3	65.8	.....	3.50
Canadian Trust	62.0	67.0	-0.4	2.49
Mid Mount High Inc.*	48.4	51.2	.....	9.43
Recovery	58.7	63.8	-0.1	6.77
Gilt Trust	44.7	46.7	-0.2	12.39

*Weekly dealing day Wednesday.

Crescent Unit Tst. Mngrs. Ltd. (a)(g)
4 Melville Cres., Edinburgh 3 031-226 4931

Cres. Amer. Fd.	35.3	38.1	-0.1	0.98
Cres. Internat'l.	70.0	75.4	-0.1	2.31
Cres. High. Dist.	42.4	45.7	-0.4	10.64
Cres. Reserves	51.1	55.1	-0.6	5.44
Cres. Tokyo	23.6	25.4	+0.1	0.85

Dartington Unit Trust Mngt. Ltd.
Bridge Chambers, Barnstaple, Devon 0271 76324

Total Perf. Unit Tst.	24.1	25.5	.....	12.10

Discretionary Unit Fund Managers
Bilbao Hse, 36/38 New Broad St, EC2M 1NU.
01-638 4485

Disc. Inc. Sept. 12	225.5	240.5	.....	5.48

E. F. Winchester Fund Mngt. Ltd.
44, Bloomsbury Square, WC1A 2RA 01-623 8893

Great Winchester	17.3	19.1	.....	7.60
Gt. Winchester O'seas.	23.8	26.4	.....	4.22

Emson & Dudley Tst. Mngmnt. Ltd.
28b Albemarle St., W1. 01-493 3211

Emson Dudley Tst.	82.1	88.3	.....	6.00

Equity & Law Un. Tr. M.♥ (a)(b)(c)
Amersham Rd., High Wycombe. 0494 33377

Equity & Law	86.6	91.1	-3.0	4.85

Fidelity International Management Ltd.
62-63, Queen St., London, EC4R 1AD. 01-248 4891

American	30.1	32.4	-0.3	1.01
Gilt + Fixed Int.	25.9	27.30	-0.1	12.02
Growth + Income	31.3	33.7	-0.2	7.21
Special Sits.	36.2	39.0	.....	2.31

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OFFSHORE & OVERSEAS FUNDS

Continued on previous page

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Five to Fifteen Years

[illegible]

Over Fifteen Years

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Undated

[illegible]

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CORPORATION LOANS

[illegible]

COMMONWEALTH AND AFRICAN LOANS

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LOANS

Public Board and Ind.

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Financial

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FOREIGN BONDS & RAILS

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AMERICANS

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CANADIANS

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Hire Purchase, etc.

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BUILDING INDUSTRY—Contd.

[illegible]

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[illegible]

DRAPERY AND STORES

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ELECTRICALS

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ELECTRICALS—Continued

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Tins

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Miscellaneous

1980 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
180	78½	Anglo-Dominion	145	−17	—	—	—
97	52	Barymin	60	......	—	—	—
17	12	Burma Mines 10p	13	......	0.62	1.1	6.9
262	53	Colby Res. Corp.	240	−3	—	—	—
502	285	Cons. Murch. 10c.	350	......	hQ100c	1.8	16.4
180	80	††Hemerdon 10c.	90	......	—	—	—
585	325	Northgate C$1	540	+35	—	—	—
491	327	R.T.Z.	475	......	t16.0	3.2	4.9
46	16	Robert Mines	41	−1	—	—	—
112	91	††SPO Minerals 10p	95	......	—	—	—
58	26	Sabina Inds. C$1	45	−2	—	—	—
51	31	††SWCM 10p	40	......	—	—	—
650	411	Tara Exptn. $1	575	......	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- †† Unlisted security.
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ● Regional price.
- § No par value.

§§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1980-81. K Figures based on prospectus or other official estimates for 1979-80. M Dividend and yield based on prospectus or other official estimates for 1980. N Dividend and yield based on prospectus or other official estimates for 1981. P Figures based on prospectus or other official estimates for 1980-81. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; zR ex capital distribution.

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

			IRISH		
Albany Inv. 20p	35	−1	Conv. 9% '80/82	£93⅞	......
Bertam	14	−1	Nat. 9¾% 84/89	£82½	......
Bdg'wtr. Est. 50p	450	......	Fin. 13% 97/02	£89⅞	−⅞
Craig & Rose £1	£11	......	Alliance Gas	59	......
Fife Forge	35	......	Arnott	210	+10
Finlay Pkg. 5p	28	−1	Carroll (P.J.)	72	......
Graig Ship. £1	£13	......	Clondalkin	115	......
Higsons Brew	77	......	Concrete Prods.	80	......
Holt (Jos) 25p	260	......	Heiton (Hldgs.)	29	......
I.O.M. Stm. £1	152	......	Ins. Corp.	275	......
Pearce (C. H.)	465	......	Irish Ropes	42	......
Peel Mills	45	......	Jacob	31	......
Sheff. Refrshmt	101	−2	T.M.G.	65	−5
Sindall (Wm.)	141	......	Unidare	75	......

OPTIONS

3-month Call Rates

Industrials					
A. Brew	7	I.C.I.	27	Utd. Drapery	6½
BOC Intl.	6	"Imps"	6½	Vickers	12
B.S.R.	4½	I.C.L.	14	Woolworths	5½
Babcock	8	Inveresk	4	**Property**	
Barclays Bank	34	Ladbroke	15	Brit. Land	7
Beecham	10	Legal & Gen.	15	Cap. Counties	8
Blue Circle	25	Lex Service	8	Land Secs.	24
Boots	16	Lloyds Bank	24	MEPC	17
Bowaters	15	"Lofs"	3½	Peachey	13
B.A.T.	20	London Brick	6	Samuel Props.	12
Brown (J.)	6	Lucas Inds.	27	Town & City	2
Burton 'A'	10	"Mams"	14	**Oils**	
Cadburys	5½	Mrks. & Spncr	8	Brit. Petroleum	32
Courtaulds	8	Midland Bank	26	Burmah Oil	20
Debenhams	8	N.E.I.	5	Charterhall	10
Distillers	17	Nat. West. Bank	27	KCA	11
Dunlop	7½	P & O Dfd.	10	Premier	13
Eagle Star	15	Plessey	14	Shell	35
F.N.F.C.	2¼	Racal Elect.	22	Tricentrol	48
Gen. Accident	21	R.H.M.	4½	Ultramar	35
Gen. Electric	38	Rank Org.	15	**Mines**	
Glaxo	15	Reed Intnl.	16	Charter Cons.	14
Grand Met.	12	Sears	5	Cons. Gold	40
G.U.S. 'A'	34	Tesco	6	Lonrho	N
Guardian	23	Thorn	23	Rio T. Zinc	35
G.K.N.	20	Trust Houses	12		
Hawker Sidd.	15	Tube Invest.	23		
House of Fraser	15	Unilever	40		
		U.D.T.	5½		

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 24

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £500 per annum for each security

FINANCIAL TIMES

Saturday September 20 1980

MAN OF THE WEEK

Copper bottomed profits

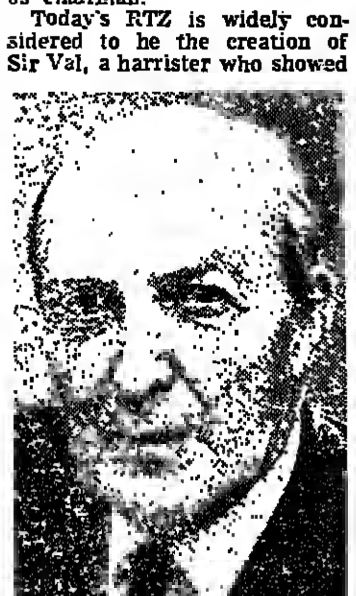
BY IAN RODGER

IN 1948, Sir Mark Turner was sent by his merchant banking firm, Robert Benson, Lonsdale, to reorganise Rio Tinto, a small company with a copper mine in Spain and two other copper investments.

Two years later, he persuaded Sir Val Duncan, then commercial manager of the National Coal Board, to manage the company and Sir Val led it for the next 24 years until his sudden death in December, 1975, transforming it into one of the world's largest mining finance groups.

By a strange stroke of fate, Sir Mark, now 74, once again finds himself preparing to hand over control of a vastly enlarged Rio Tinto-Zinc. And this week he launched a £123m rights issue to help his designated successor, Sir Anthony Tuke, direct the group to new growth when he takes over next spring as chairman.

Today's RTZ is widely considered to be the creation of Sir Val, a harrister who showed



Sir Mark Turner

Highly geared financings of the past were no longer possible

a flare for logistics during the war and made RTZ's fortune by mastering the logistics of mining low-grade ore bodies and daring to launch huge projects in distant parts of the world, even when metal markets were poor.

Sir Mark Turner, who had stayed on as a director of RTZ while pursuing an active banking career, contributed his own innovation, the structuring of highly geared financing packages backed up by product sales contracts. "I followed like a caddy with a financial bag of clubs to help structure deals."

In 1971, he retired as deputy chairman of Kleinwort Benson but remained active, not only in RTZ but also as chairman of British Home Stores. Still seeking more work, he jumped at the opportunity to become full-time finance director of RTZ in early 1973. When Sir Val died, Sir Mark was the obvious successor, even though many assumed because of his age he would be only a brief caretaker.

During his four years as chairman, the group's profits before tax have increased nearly fourfold but the shape of the company has changed very little. Not a single major project has been undertaken since the early 1970s.

"The company's great constructive period had ended just about the time I came over," he says. "OPEC was getting started and we have been in a series of recessions ever since."

He saw that the highly geared financings of the past were no longer possible and to his credit, he did not feel the need to assert his own personality by embarking on vast new projects without strong partners. "The one thing I brought was an historical knowledge of the company and a feel for the way it ought to develop."

Sir Mark's tenure has also been marked by a sharp increase in RTZ's public exposure and he has dealt with considerable polish with attacks from many quarters. The company is frequently criticised for its involvement in Namibia, for its treatment of Aboriginal labour in Australia and has been defendent in a marathon series of U.S. legal actions relating to the alleged existence in the early 1970s of an international cartel to set uranium prices of which RTZ is accused of being part.

With six other senior RTZ executives, Sir Mark was marched before a U.S. court judge in June, 1977, and went through the humiliating procedure of pleading the Fifth Amendment, which protects the accused against self-incrimination. It is a procedure usually adopted by Mafia leaders and hardened criminals. "I don't think I felt any great surge of righteous indignation. It seemed to me a pretty unnecessary rigamarole but we bad to go through with it."

U.S. may increase IMF contribution by 50%

BY JUREK MARTIN, U.S. EDITOR, IN WASHINGTON

THE U.S. House of Representatives, yesterday approved a 50 per cent increase in the U.S. contribution to the International Monetary Fund (IMF) but warned of adverse consequences if the Palestinian Liberation Organisation is given official status at the fund's next annual meeting.

A rider attached to the IMF Bill, sponsored by Congressman Benjamin Gilman, a New York Democrat, said that admission of the PLO as an observer to the meeting would result in a serious diminution of U.S.'s support for the fund.

The House agreed the increased contribution just before votes of IMF member nations on the question of the PLO's status were due to be counted. The members were voting on a U.S. motion that the PLO should be excluded this year, pending review of the general question of observers.

If the U.S. fails to raise a quorum (half the IMF's membership, but two-thirds of its weighted vote) on the PLO issue from the posted vote, then discretionary authority will pass into the hands of Mr. Amin Jamal, the Tanzanian Finance Minister and chairman of the annual meeting which begins in Washington on September 30. Mr. Jamal has said that be would issue an invitation to the PLO—even if the U.S. raises a quorum and carries its motion, the Finance Minister may bring the matter before the full annual meeting.

The Carter Administration, while conscious of the domestic political damage to the President's re-election that could be caused by admission of the PLO as an observer, had lobbied hard for Congressional approval of the IMF quota Bill.

However, the House of Representatives' version is sufficiently different from that already passed by the Senate that a committee of both chambers will have to sort out discrepancies. Furthermore, neither House has yet passed measures actually appropriating the extra \$5.5bn (£2.3bn) necessary to raise the U.S. funding for the IMF to \$16.5bn.

Potential Congressional sentiment on the PLO issue was graphically illustrated in Thursday's vote. The IMF authorisation Bill passed on a 199-151 division, whereas Congressman Gilman's rider was approved by 386 to two.

It is generally agreed that the PLO cloud hangs heaviest over the chances for Congressional approval of the U.S. contribution to the sixth replenishment of the International Development Association (IDA), the soft loan arm of the World Bank. The IDA Bill has passed the Senate, hut is pending in front of the House and is unlikely to be brought to a vote before the presidential election, and certainly not before the joint Fund-Bank annual meeting.

Prime rates climb again

BY PAUL BETTS IN NEW YORK

PRIME LENDING rates of major U.S. banks climbed another quarter percentage point to 12¼ per cent yesterday, continuing their steady upward movement since the beginning of August when the rate charged to prime borrowers stood below 11 per cent.

Citibank, the largest New York bank, again led the way to the latest increase. It was quickly followed by several other major U.S. banks, including Bank of America, Chase Manhattan, Chemical Bank and Manufacturers Hanover.

The continuing increase in the prime reflects concern over the persistence of high inflation and short-term interest rates which have been trading about half a percentage point higher this week than at the end of last week. Last Friday, most major U.S. banks lifted their prime by a quarter percentage point to 12½ per cent.

At the same time, the banks indicated that the latest increase in the prime reflects the recent rise in their costs for gathering

funds at a time of increased loan demand because of the recovery in U.S. business activity. Further signs of the recovery of the economy came earlier this week with a 13 per cent rise in August housing starts over the previous month.

But the current increases in prime lending rates could now become a sensitive political issue as fears grow that rising interest rates might choke off the recovery. Indeed, while housing starts continued to grow for the third consecutive month in August, the rise in mortgage rates has weakened borrowing demand and home sales so far this month.

Although recent economic statistics have strengthened the view that the U.S. recession might be over, President Jimmy Carter said on Thursday he was not sure that it had effectively ended. However, the recovery of the country's economic system seemed to be progressing "very well."

But as the presidential campaign draws to its November climax, there also appears to be concern that the continuing rise in interest rates might halt the recovery at a politically sensitive moment.

The rise in short term interest rates have also had a depressing effect on the corporate bond market, keeping several proposed issues from even getting off the ground this week.

U.S. election: feature, Page 16

French get protest over Soviet deal

By David White in Paris

THE U.S. has complained to France about the \$300m (£125m) contract landed by French companies for steel-making equipment in the Soviet Union, U.S. diplomats said here yesterday. The Soviet project had originally involved Armco, the U.S. steel group, which withdrew after the Soviet Union's invasion of Afghanistan.

The U.S. complaints were made verbally and in writing "at the highest level," both before and after the deal was made public earlier this week.

This appears to contradict flatly Thursday's statement from the French Foreign Ministry that there had been no protests over the deal—perhaps referring to the fact that the complaints had not taken the form of a formal diplomatic note—and that the contract was "not a subject of contention" between Paris and Washington.

The French Government claims that the deal does not include the part that was to have been taken by Armco, mainly the transfer of know-how. It says that the group of French companies, led by Creusot-Loire, will take over Nippon Steel's share of the original contract, i.e. the equipment itself, worth about three-quarters of the total cost of the project.

Thatcher visit aids entente with France

BY ROBERT MAUTHNER IN PARIS

MRS. MARGARET THATCHER and President Giscard d'Estaing yesterday restored some of the old warmth to the stormy Anglo-French relationship at a one-day summit meeting more notable for its good atmosphere than concrete results. Both clearly considered that the time bad come to end the recent series of quarrels, and they did so by a public display of good-will which some observers thought was almost too good to he true.

Mrs. Thatcher was in a particularly effusive mood, saying the atmosphere at the meeting had been "wonderful." For the Entente Cordiale was in "good heart" and that a wide measure of agreement had been reached on a whole range of international problems. These included East-West relations after the Soviet invasion of Afghanistan as well as recent events in Poland, the Middle East, Africa and the world economic situation.

President Giscard, though less expansive, also went out of his way to underline the "cordial and trusting spirit" in which the discussions had taken place. On all the subjects which they had discussed, his and Mrs. Thatcher's views had been either similar or convergent.

It was significant, however, that the two leaders emphasised that they had not discussed in depth European community problems, which have been the main cause of the deterioration of Anglo-French relations.

Yet they clearly did not avoid such issues altogether. President Giscard said he had noted "with interest" Mrs. Thatcher's desire to put into effect within the specified time limits all the decisions taken by the Nine last May on Britain's contributions to the EEC budget, including a large reduction of Britain's contributions to the EEC budget, would be implemented satisfactorily.

But the Prime Minister later indicated that she had not given a specific pledge on Britain's attitude towards farm price rises within the Community next year, other than that her Government intended to adopt a constructive European policy.

The French have hinted that they might make their agreement to the release of rebates from the EEC budget conditional on British endorsement of satisfactory farm price rises in the spring of 1981.

Mrs. Thatcher and M. Raymond Barre, the French Prime Minister, later flew to Bordeaux where they attended a dinner on the opening day of the Franco-British Council, an organisation set up in 1972 to promote closer understanding between the countries.

Continued from Page 1

CBI seeks ban

ancies. Passing the cuts on to the ratepayer will only make all that worse at a time when the private sector is already bearing the brunt of the recession," Mr. Davis said.

He was launching a CBI publication, intended as a businessman's guide to local government, and a CBI campaign to persuade businessmen and industrialists to stand for election to local councils in order to influence council affairs, finances and rates from the inside.

He added that very high rates were now discouraging businesses from moving into or setting up new premises in certain areas.

It has not prevented the CBI from moving into Camden, however, which has the highest rate in the country. The attraction of low rents in the Centre Point building, of which the CBI has taken 15 floors, apparently outweighed the rates disincentive.

Following the Government's measures, Mr. Roy Hattersley, "shadow" Environment Secretary, yesterday stepped up the Opposition campaign to persuade the House of Lords to block the Local Government Planning and Land (No. 2) Bill which contains the powers needed to enforce the penalties against the 14 councils.

If Tory peers lined up "slavishly" behind the Bill next month it would be "another nail in the House of Lords' coffin," he said.

Mr. Heseltine bad been "arbitrary and capricious." The authorities heing singled out for punishment had behaved in a perfectly lawful way

European Ferries buys bank

By William Hall, Shipping Correspondent

EUROPEAN FERRIES emerged as mystery hidder for Singer and Friedlander, one of the City's smaller merchant banks. It has conditionally agreed to pay £23¼m for a £2.5 per cent stake.

Singer and Friedlander is known to have been up for sale for some time following the takeover of its parent, C. T. Bowring, by the U.S.-owned Marsh and McLennan group, earlier this year.

Traditionally, the Bank of England does not like foreigners to own hanks which, like Singer, are members of the Accepting Houses Committee, often regarded as the City's most elite club.

Several companies were interested in buying Singer and Friedlander but the merchant bank decided to take the initiative. One of its executives, Mr. John Cooper, approached Mr. Keith Wickenden, a friend and chairman of European Ferries.

The Bank of England approved the change of ownership. The Accepting Houses Committee confirmed that Singer and Friedlander's membership will not be affected.

The executive directors and their families will continue to own 7.5 per cent of the merchant banks. Mr. Anthony Solomons, the bank's chairman and chief executive, will join the Board of European Ferries.

Mr. Wickenden, chairman of European Ferries, said yesterday he had wanted a hank for a long time "hut never dreamed we would get an accepting house."

European Ferries intends to use the bank to help it expand its own property and financial services operation.

Singer and Friedlander was bought by C. T. Bowring for £23m in 1971 but it has not lived up to the early expectations of its parent.

In its last financial year Singer and Friedlander disclosed after-tax profits of £2m. Its net assets are £26.3m after adjusting for the revaluation of investment properties, and it has deposits of £219m.

Mr. Solomons said he was delighted with the move and looked forward to a long, happy relationship with European Ferries.

Mr. Wickenden and his managing director, Mr. Ken Siddle, will join the bank's board.

European Ferries' share price fell by 10½p to 169p last night.

Background, Page 3; Results, Page 18

Weather

UK TODAY

CLOUDY with showers, developing in the north hut dying out in the south.

London, S. E and N.E. England

Rain, heavy at times, bright intervals later. Max 19C (66F).

W. England, W. Midlands, Wales

Showers slowly dying out. Winds strong. Max 19C (66F).

Borders, S.W. Scotland

Becoming cloudy with rain. Max 16C (61F).

Rest of Scotland, Ulster

Mainly dry, sunny intervals. Max 16C (61F).

Outlook: Showers and sunny intervals. Warmer in S.E.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	S	27	81	London	F	19	66
Algiers	F	38	57	Los Ang.	S	30	86
Amsdm.	C	20	68	Luxmbg.	S	22	72
Athens	S	27	81	Luxor	S	36	97
Bahrain	S	35	95	Madrid	F	26	79
Barclna.	C	25	77	Majorca	S	28	82
Beirut	S	28	82	Malaga	C	26	79
Belfast	C	16	51	Malta	S	27	81
Belgrd.	C	23	73	M'chstr.	C	18	64
Berlin	F	20	68	Melbne.	F	16	61
Biarritz	C	26	79	Mex. C.	S	25	77
Bmghm.	F	18	64	Milan	S	24	75
Blackpl.	F	19	66	Mntreal	C	8	46
Bordx.	C	24	75	Moscow	C	17	63
Boulgn.	C	19	66	Munich	F	24	75
Bristol	F	19	66	Nairobi	F	30	86
Brussels	F	24	75	Naples	S	27	81
Budpst	S	19	66	Nassau	C	14	57
B. Aires	S	21		Nwcstl.	S	19	66
Cairo	S	30	86	N. York	S	23	73
Cardiff	S	24	75	Nice	S	24	75
Cas'b'ca	F	24	75	Nicosia	S	26	79
Chicago	S	24	75	Oporto	C	17	63
Conhgn.	S	17	63	Oslo	C	13	55
Corfu	S	27	81	Paris	S	24	75
Dublin	C	15	59	Perth	S	18	64
Dbrvnk.	F	24	75	Prague	S	19	66
Ednbgh.	F	15	59	Reykjvk.	R	7	45
Faro	F	27	81	Rhodes	S	26	79
Florence	F	26	79	Riyadh	S	39	102
Frankft.	S	23	73	Rome	F	28	82
Funchal	C	21	70	Salzbrg.	F	24	75
Geneva	S	22	72	Seoul	S	26	79
Gibrltr.	F	25	77	Singapr.	C	27	81
Glasgow	C	16	61	Stckhm.	C	16	61
G'rnsey	C	17	63	Strasbg.	S	25	77
Helsinki	C	14	57	Sydney	S	23	73
H. Kong	C	29	84	Tangier	C	24	75
Innsbrk.	S	25	77	Tel Aviv	S	27	81
Invrnss.	F	16	61	Tenerife	F	22	72
I.o.M	C	16	59	Tokyo	C	24	75
Istanbul	S	23	73	Tunis	S	31	88
Jeddah	S	37	99	Valencia	F	26	79
Jersey	C	18	64	Venice	F	24	75
Jo'burg	S	26	79	Vienna	S	18	66
L. Plms.	F	25	77	Warsaw	F	16	61
Lisbon	F	22	72	Zurich	S	21	70
Locarno	C	21	70				

C—Cloudy. F—Fair. R—Rain. S—Sunny.

Continued from Page 1

Interest rates

credit, as opposed to the recent big distortions.

The general downward trend of interest rates has also been underlined by the fall in the last fortnight of roughly a point to 15⅞ per cent in the three-month interbank rate—a key influence on the cost of part of the banks' deposits raised in the money markets.

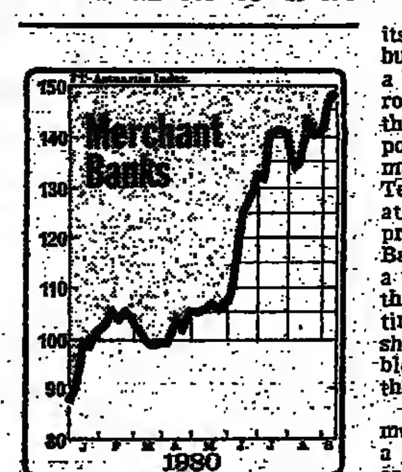
The gilt-edged market was fairly quiet yesterday, although prices of long-dated stock closed up to £½ down following the news of the further rise in U.S. prime rates. But the undertone was described as firm, and there was no evidence of significant selling. Prices have fallen fractionally over the week as a whole.

THE LEX COLUMN

Singer takes a ferry ride

A head of enthusiasm built up at yesterday's Treasury bill tender, where the average rate of discount fell by a quarter of a point from last week's level. But the Bank of England showed its displeasure by failing to lower its own bill dealing rates in line—the official attitude towards interest rates remains extremely cautious. Across the Atlantic, meanwhile, most major banks have raised their prime rates a quarter point to 12¼ per cent.

Index fell 3.3 to 494.4



European Ferries

The prestige value of an accepting house is not what it was. Although there has been a strong bull market in merchant bank shares throughout this year, European Ferries is buying Singer and Friedlander for almost exactly the same price that Bowring paid in 1971 money — and Bowring has put in new equity since then. Since 1971, Singer's net assets have risen from a fully disclosed £9.9m to a current figure of £26.3m before taking into account inner reserves. In contrast to the large goodwill element in 1971, today's bid price could represent a discount of up to about a fifth on net asset value.

So European Ferries, which is anxious to build up its financial services and property activities, is not going too far out on a limb. Its current programme of investment in ships is coming to a close, and once that is out of the way the group will be generating substantial surplus funds. As a very rough guide, its current rate of cash flow could exceed annual loan repayments and the cost of the dividend by about £15m. The group is pushing hard into property development, but says it is not having to put much equity in this activity.

At the same time, the group has come up with some disappointing interim profits, down from £6.7m to £3.7m, and although it still expects a profits increase this year it is much more cautious about the outlook than it was in May. Property dealing profits could jump this year from £8.2m to about £20m, thanks mainly to the sale of a big development in London. But the shipping side has been badly squeezed by price competition, dull freight rates, and the French fishermen's strike. Overall, the group will be doing well to make £30m this year compared with £27m last time.

The group is hoping for some recovery on the Channel next year and an initial contribution from its U.S. property venture, but it obviously has a big gap to fill on the property side. Down 10½p to 169p yesterday, the shares yield 4.4 per cent.

Plus ça change

Light relief in a gloomy week for industry comes in the improbable form of a shareholders' letter from John Baker (Insulation), which is traded under the Stock Exchange's Rule 163 (2). It shows that British ingenuity can overcome the most difficult trading conditions.

In April 1979, Baker raised £299,000 through a share placing, of which the company itself received £195,000. The prospectus painted a glowing picture of the future demand for wall insulation, and forecast a profit of not less than £50,000 and a final dividend of 9 per cent. Unfortunately, Baker in the event made a loss of £68,000 on insulation activities. Fortunately, in the final month of the year it was able to buy—and sell—2m shares in the Tebbitt Group at a profit of £119,000. That enabled it to show a pre-tax profit of £51,000, and pay a dividend.

The disposal, for what must have been about 11p per share, was particularly impressive. During that month, Tebbitt's quote in the Financial Times was never above 9p. Clearly anxious to repeat the coup, Baker bought the same number of shares back on January 2 at about its selling price. On the same day it was revealed that Tebbitt had a new chairman: none other than Mr. John Bentley, who was already on the hoard of Baker and whose City activities in the early 1970s some will still remember. In the following days, Tebbitt's price was up and away—and Baker placed a block of its own shares to finance the purchase.

Now Baker is planning to sell its insulation business and to buy into home entertainment—a business with, it seems, a very rosy future. To help finance the downpayment on its proposed acquisition, Baker has made a (conditional) sale of its Tebbitt shares to Mr. Bentley at 18½p each. The recent market price has been a lot higher. Baker's directors say they got a reasonable price, considering that Tebbitt's net assets at the time were less than 2½p per share and that an unconnected block of shares were placed at the same time and price.

Baker is now raising more money by way of rights and a placing. That will give it net assets of £2.6m (including £2.2m of good will) compared with under £20,000 at the end of 1978. Why does Guest Keen bother with making all those nuts and bolts and things?

STC

In the 15 months since the issue at 160p, the share price of STC has rocketed and the group had some demanding expectations to live up to in yesterday's interim statement. In the event a pre-tax gain of 42 per cent to £22.8m for the half-year was judged reasonably satisfactory and the price eased only 4p to 438p.

The stock market's love affair with the electronics sector reflects, of course, the fact that the recession has passed the industry by. Thus STC's first-half turnover is up by nearly half in telecommunications, and the group is pleased that its production and deliveries have gone so smoothly, which has allowed it to keep working capital well under control.

Signs of the recession are now appearing in the components and distribution businesses, which anyway was much less buoyant than telecom in the first half. And there is just the shadow of a possibility that cash limit problems at the Post Office could delay deliveries. But the group has been boosted by big overseas orders for its submarine cables, an activity which was until recently looking slightly vulnerable.

In the second-half STC should avoid the strike losses which threatened its prospectus forecast last year, and pre-tax profits seem set to rise to £45m or more against £33.4m. With a prospective p/e of something like 20 fully taxed, the market seems more concerned about the direction in which earnings are moving than the boring details of the actual numbers.

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